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THE SECRET

OF

THE ROTHSCHILDS.

BY MARY E. HOBART.

Thou mayest loan to many nations but thou shalt not borrow.—*Moses.*

This century will not close before we shall have a general reorganization of international relations THROUGHOUT THE WORLD and alliances and combinations on new lines to meet conditions which have long been changing SILENTLY and SLOWLY and have now reached the stage where the bud must burst into flower.—*Memoranda of Baron Rothschild to Lord Salisbury, 1896.*

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PREFACE.

It has been impossible within the narrow limits of this work to enter into an exhaustive discussion of all the phases, principles and complex relations of the "money question." Neither has it been possible to treat even in a limited manner of the "seven great conspiracies" which have been enacted into law by venal legislators and which have greatly intensified in number and magnitude the financial disasters which naturally arise under our present system of money, even when honestly administered. But that which has been attempted is to establish, beyond disputation, by analysis and comparative demonstration the fallacious principles upon which our money system is founded and without a knowledge of which it is impossible to understand the complex and confused conditions which now pervade all departments of our social fabric. The reader is admonished that there is no royal road which leads to the understanding of the science of government any more than there is to the understanding of geometry or astronomy.

If a practical comprehension of this subject is ever acquired it must be through the patient study and careful investigation of the relations which exist between all our varied business transactions.

The teacher who told his pupil that the best way to state a problem in compound proportion was to "guess at it" illustrates the teaching of political economy as it has been and is still taught. The economists, like the teacher, have never studied deep enough to discover that this science is not governed by the laws of "chance" but by principles which are as fixed and unchangeable as those which govern any branch of mathematics. The confusion and turmoil now agitating the world come because our teachers have been "guessing at it." They have been dealing in rhetoric when they should have been delving in numbers and philosophy.

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Rhetoric may, indeed, brighten and beautify economic discussion when once the principles have been established, but till then we must content ourselves with the soberest prose.

If the laboring people of America ever succeed in bettering their conditions it will only be after they themselves have mastered the principles of the systems through which their oppressors plunder them.

It is not true that "what a man does not know does not hurt him." He is hurt just the same, knowledge or no knowledge. But when he does not know what hurts him he is powerless in his defense. All the sufferings and wrongs of the laboring people are endured because they do not understand the methods used by the so-called "better classes" to filch from them the rewards of their toil. The betterment of their conditions can only be accomplished through the betterment of their knowledge. With this view the author places before the public this unpretentious effort, regretting that space does not permit a more complete examination of the subject discussed. Many phases of the money question which are of vital importance have necessarily been omitted. The work is designed to be in every sense elemental—an aid to those who have been unable through the complex discussions to gather a clear understanding of this vastly important subject. If this object shall be accomplished the author will be richly rewarded for the thought expended upon it. After carefully reading this book the reader is kindly requested to pass or mail it to some other person, with the request that he in like manner shall pass it on, in order that these truths may be more effectually disseminated among all classes.

MARY E. HOBART.

New Whatcom, Wash.

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THE SECRET OF THE ROTHSCHILDS.

CHAPTER I.

A PROBLEM FOR SCIENTISTS TO SOLVE.

I see in the near future a crisis arising, which unnerves me and makes me tremble for the safety of my country. As a result of the war corporations have been enthroned, and an era of corruption in high places will follow, and the money power will endeavor to prolong its reign, by working on the prejudices of the people, until all wealth is aggregated in the hands of the few, and the Republic is lost.—Abraham Lincoln, 1865.

By some machination, by some incantation, honest or otherwise, thirty thousand people have become possessed of thirty-five billions, or half the wealth of this great nation. Mr. Speaker, this is the most appalling statement that ever fell upon mortal ears.—John J. Ingalls, United States Senate, 1890.

The people of the United States are now thirty-two billion dollars in debt.—Speech of Jos. M. Walker, M. C., House of Representatives, 1892.

Organize under whatsoever form of government man may, under a Republic or a Principality, under a Kingdom or an Empire, there seems to be some secret law which continually concentrates the wealth which the many make into the hands of the idle few. Happy our generation if science sometime gives the key.—Blanqui's History of Political Economy.

These quotations furnish data from which no thoughtful student of public affairs can or will turn with indifference. Indeed, the striking character of each is sufficiently important to arrest the attention of the dullest dullard belonging to that species of the genus homo known as the American voter. The first, a prophecy from one of the wisest and purest of statesmen, predicating conditions then existing which if not arrested would overwhelm the young Republic and dethrone popular government. The second

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declares that the half-way station of this remarkable prophecy has already been passed. The third announces conditions which unerringly point to the final consummation of Abraham Lincoln's prophetic vision. The last asserts that this is the trend of human affairs under whatsoever form of government man has thus far organized; that these unjust relations are the result of some secret and unknown law, which science has not yet unlocked; that happiness, the goal of all human endeavor, will be the inheritance of all men, when an intelligent solution of this problem has been attained. The importance of this last fact is sufficient to spur the student on, in an earnest effort to discover this hitherto undiscovered law.

In our search we shall rigidly deduce from known facts logical, philosophical and mathematical conclusions, for by no methods less than these can we reach a scientific solution. Statistics are the most reliable and best authenticated facts that we have from which to deduce logical conclusions.

In 1865 the Secretary of the United States Treasury, Hugh McCulloch, in his annual report, made this remarkable statement: "The people are out of debt and consequently prosperous." By a comparison of the statistics of the financial failures of that year with the two previous years—1863-4—and the following year—1866—with the failures of the five years previous to 1863 and of those which have followed 1866 we can readily give credence to the Secretary's report, that to an extent greater than had ever before existed the people of this country were out of debt.

By these statistics, we find that for the years of 1863, 1864, 1865, 1866, the business failures were respectively 485, 502, 530, 532, while from the year 1857 to 1862 the failures ranged from 4,932 to 6,993, and from 1866 to 1896 they have ranged from 2,386 to over 15,000. Now when we remember that the financial failures taken for a series of years must be the index to a very truthful degree of the debts of the people, we must admit the fact that these years were years when the people were comparatively out of debt, and when out of debt prosperous.

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At this time, let it be remembered, the American people had existed upon this continent as a nation over two hundred years, and as an independent government nearly a hundred years, yet at the close of a gigantic internecine war the Secretary of the Treasury—a high official of the United States—sworn to tell the truth, says the people are out of debt, and these statistics unquestionably prove that his statement was correct.

Twelve years from this date (1877) a United States Senator—Hon. Daniel Voorhees—who had an enviable reputation as a financier of unquestioned ability, stated on the floor of the Senate chamber that the people of the United States were from six to ten billion dollars in debt, and unless silver should be remonetized that debt could never be paid. Fifteen years later Hon. Jos. M. Walker, member of Congress from Massachusetts, stated in a speech delivered March, 1892, that the people were thirty-two billion dollars in debt.

Five years later, and reliable statisticians estimate that our debts have attained the gigantic proportions of forty billion dollars, aggregating a sum of more than five times all the metallic money of the world, an inconceivable and imcomprehensible number. How incomprehensible this amount is we may partially understand when we find by computation that it would require forty persons, beginning at the age of twenty years and counting forty thousand each day, except Sundays and holidays, to live each to the age of one hundred and four years before the task of counting would be completed. How many years of unremitting toil will be required of our boys and girls to pay this monstrous debt the future alone can tell.

These statistical statements reveal a GROWTH OF DEBT which constitutes our problem. The solution of this problem is of universal significance to all the American people, regardless of politics, creed, color or condition. The prosperity of all men is affected by this gigantic debt, because the ever-increasing interest upon it enters into and augments the price of every article of consumption. It is

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a consuming fire, a living demon, a raging beast going up and down the highways of the nation devouring the substance of the people. It is a dark cloud of ruin overshadowing three-fourths of all the homes in the land. This problem of debt is no new problem. It is the problem of the ages. Again and again, during the history of mankind, have cities, states and kingdoms been brought face to face with this demon of evil, this devourer of men, this destruction of empires, this death of civilization. The highways of six thousand years are strewn with the wrecks of men and nations who have bowed in meek submission to its arbitrament. In its devastating march it spares neither Greek nor Jew; neither pagan nor Christian; neither Republic nor Empire. Philosophers, poets, seers and prophets have bewailed the desolation that has marked its pathway, in the language of sublime sympathy and patriotic devotion. With marvelous power and pathos, they have portrayed the effects and conditions that have followed in the trail of this unknown and undescribed highwayman, but not even the immortal genius of a Bacon, a Milton, a Newton, nor a Mill seems to have taken any comprehensive recognition of the Titanic power of evil over the fortunes and happiness of men encompassed in, and arising from conditions produced by debt.

The necessity for the analysis of causes, which produce, enlarge, and continue it, appears to have escaped their attention. But in the general uplift of humanity all secrets shall be revealed; all phenomena shall be explained; all problems shall find solutions. As every event in life has a relation to all other events, and may be traced—if we possess sufficient data—so every problem arising from human activity has a rational and logical solution.

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CHAPTER II.

RESTATEMENT AND SOLUTION OF PROBLEM.

Given seventy million people occupying the best part of the best continent on the globe, valued at sixty-two billion dollars, on which valuation, after a period of thirty years of intense activity, in labor skilled and unskilled, exercised in the development of farms, mines and factories, in the building of cities, villages, towns, and railroads, in commerce, inventions, and speculation, said seventy million people find themselves at this date (1898) owing somebody or many somebodies over forty billion dollars.

To give a logical and philosophical cause for these disastrous conditions will be the effort of this pamphlet. The whole truth concerning this matter must be scientifically ventilated. No misleading falsehood nor seductive sophistry can alleviate the misery now so prevalent throughout the land caused by this gigantic debt. The constitution and make-up of our social organization must be analyzed, its laws of action formulated, the relations of these laws traced and the rights of individuals in their social organization clearly established.

It may be observed that this debt of forty billion is owed in dollars. Nothing but dollars, and yellow metallic dollars at that, will be received in payment or liquidation of this debt. Hence the yellow metallic dollar becomes one of the main factors in the solution of this problem. As the metallic dollar is a definite thing, which can be estimated and measured, it is therefore a mathematical quantity, and all operations with it are mathematical operations. A failure to record these operations will in no way affect the results which mathematically follow. If we can formulate these operations we can solve our problem.

What is the dollar, what is its function and from what condition of society arises the necessity for its use?

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The dollar is a specified number of grains of gold or silver, on which the government has placed its official stamp, stating that it is a dollar, and shall be received by all creditors in payment of a dollar's debt. Its function is two-fold, for it acts in the hands of the holder both as a receipt and check. A receipt for a dollar's worth of production or service, which the holder has parted with for the benefit of society or some member thereof. It is also a check entitling the holder to draw upon society for one dollar's worth of production or service, which society or some member thereof may desire to part with. The material on which this stamp is placed cannot affect its power or function. The social necessity which calls for its use was philosophically answered by a school boy of twelve, who said we need it to buy things with, because we don't know how to make all the things we need. In more scientific language civilized man has entered a social condition, which may be designated a division of labor, which defined means that condition of society in which some men raise wheat, some corn, some cotton, some rice, some produce or manufacture sugar, some flour, some leather, some make bread, some shoes, some hats, some coats, etc., etc.

This social condition makes every member of society interdependent; each works for all and all work for each. Every man produces a surplus of some commodity, or renders some service which he must dispose of, in order to procure those commodities and services which he cannot produce or render.

Equity and the eternal law of righteousness (right action) demands that every man be protected in the disposal of his commodities, also in the purchase of other commodities, so that he receive equal for equal and equivalent for equivalent.

Nothing short of this can fulfill the will of the Father on earth as it is in Heaven. Neither will this great question ever be settled until settled upon this basis. A division of labor once endorsed and entered into by a nation of people bestows upon that people the right to make provision for

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the exercise of three powers, namely, the power of communication, the power to transfer goods from place to place or transportation, and the power to transfer the ownership of goods from person to person (or the power of exchange). These three powers inhere in the constitution and social make-up of society, and are the prerogatives and functions belonging to the whole people.

Every citizen has the right to an equal and inalienable ownership in these powers, and he has the right to demand of the collectivity (government) that these powers be furnished him in sufficiency to meet all the necessities of his condition at cost. Otherwise if these truly governmental functions be delegated to individuals they may be so manipulated, monopolized, cornered and controlled that wholesale robbery, exploitation and slavery will be the final result. No reasonable denial can be given to these self-evident propositions. There is no reasonable or logical basis for the assumption that any man or corporation of men should receive tribute from society or any member thereof for the use of any one of these powers above the actual cost. The men who raise wheat, and desire to trade with the men who raise cotton, have an inalienable right, by reason of their social condition (division of labor), to demand protection in the exercise of the three powers of communication, transportation and exchange, without paying more than the actual cost of these utilities, and if any man receive more than this, he is living from another man's exertion without giving an equivalent, and society has incorporated an element of inequality, which has the power, in time, to absorb all wealth into the hands of the operators of these truly governmental but usurped powers. Hence it becomes the solemn duty of society to establish, own and operate these three powers of franchise AT COST to the whole people. Successful denial of these fundamental propositions cannot be made.

We are now ready to examine in what way the United States government, which is supposed to be "of the people, for the people and by the people," has provided for these three powers, and inquire how its citizens are protected in

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the exercise of these inalienable and imprescriptable rights and immunities. The power of communication is secured by the establishment of postoffices, telegraphs and telephones. The first is under the supervision of the general government, and its service is rendered to all in sufficiency, at cost, being the best-managed business in the United States. Telegraphs and telephones are supplied by private corporations, for which service the people who use them pay the cost of operation and besides a bonus of millions to capitalists whose privileges and franchises are given to them by law, and their exploitations sanctioned by the Federal courts.

The power to transfer goods from place to place is secured mostly by railroads, steamboats, and ships. These, too, are owned by private individuals and corporations, and are operated on the splendid business principle of charging all the traffic will bear and sometimes something more. This is the worst managed business in the United States, where more strikes and labor difficulties occur than along any other line. Neither, although exacting enormous tariffs, are they able to pay their debts, but yearly thousands of miles pass into the hands of receivers under the Federal courts. We are now prepared to examine the methods by which we obtain the power of exchange, or the power to transfer the ownership of goods from person to person, which when we have done will reveal a debt-refunding system which has created the debt we owe ($40,000,000,000) and the concentration of thirty-five billion dollars of wealth into the possession of thirty thousand people, or one-twentieth of 1 per cent of the population.

For a period of time so long past that history gives no hint whence the origin of the thought, men have been taught to believe that governments had no power, and could devise no methods by which individuals could be protected in the exchange of their production, except as one commodity was exchanged for another of equal value; that security and safety in transferring goods from person to person rests alone on the principle of taking some commodity as gold

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and silver and legalizing it as a measure of value and a medium by which all other commodities must be measured and exchanged.

The fallacy of such an idea may be seen when we analyze the action of law in its power to protect the commodity gold.

A owns a gold mine and works out 51,600 grains of gold, which coins an even $200. This gold is a commodity, and a product of labor. In itself it satisfies no essential or primary want of man. It cannot feed, warm, clothe or shelter him. Neither from it can any tool be made that can aid him in procuring these essentials. So much for gold and the labor expended in procuring it. B has a field, which he plows and cultivates and produces 12,000 pounds of wheat, which measures 200 bushels. B's labor has been useful in producing a commodity which satisfies the most essential want of man. Both wheat and gold are commodities and must be so classified. Society in its stupidity declares by its legislative action that it can by law protect the gold owner in parting with his commodity gold by a piece of paper (bonds, notes and mortgages) which holds the borrower responsible for the return to A of the gold or its equivalent, at the same time refusing to protect B in parting with his commodity wheat for the benefit of society. C desires the wheat, but before the trade can be effected he must borrow A's commodity gold, and give him a paper security that he will return it or its equivalent. This paper has no intrinsic value, yet the law behind it makes A safe in parting with his gold. The question arises why may not a piece of paper be made, so legalized that B may be secured in parting with his wheat, that he, too, will be able to receive an equivalent in return? By what logic is this discrimination drawn? Law stamped upon paper protects commodity gold; why can it not protect commodity wheat?

The second error of such a proposition may be seen in the fact that no one commodity is of sufficient magnitude to measure the value of all other commodities, and no one commodity is held in common ownership, but in a division

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of labor all persons in the association will need a sufficient quantity of this commodity, whatever it may be, to measure the value of and exchange all the commodities which they are capable of making and desire to exchange. Then it will be seen that the demand for money is equal to the demand for all other things. And as no commodity is equal to such an extension, commodity exchange, or the exchange of one article for another of equal value, will always prove a miserable failure. From its use a great degree of injustice will arise, because no commodity is in the hands of all persons in the nation, and some will be forced to borrow the exchange commodity (gold and silver) and submit to the terms of the loaner, which past experience has proven will be too often extortionate and usurious, or, more correctly, some individuals will be forced to pay tribute to other individuals for the privilege of making their exchanges—a principle which has been proven to be false, to justice and the structure of society. Again, as no commodity is of sufficient capacity to measure and exchange all other commodities, the necessities growing out of the division of labor will at times become so severely urgent that some men will be forced to trade with promissory notes ("credit or confidence"), which in time must be redeemed in cash or coin. If there is not a sufficient quantity of money to trade on a cash basis, there will not be sufficient to cancel debts so made; and the impossibility of redemption destroys equity and creates losses, failures, foreclosures, concentration of wealth and a debt refunding system.

In order to discover the factors or elements which have produced our debt growth of forty billion dollars it will be necessary to formulate a problem of such small dimensions as can be easily grasped and retained in the mind, but in exact conformity to the methods employed by nations using commodity exchange (gold and silver), remembering that what is true mathematically of small quantities will be true when applied to larger ones.

We will now suppose that in some far away sea is an isolated island, on which a hundred men and women have been

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wrecked, with no possible hope of future escape. Complaints are useless. Action is imperative. With hope and energy they assemble in convention and formulate plans for organization and the structure of a government. They are all workers and know how to do something. They therefore construct their government on the basis of a division of labor, and proceed to divide the island, giving to each an equal portion. They provide for postal and transportation service, and adopt gold as the measure of all values and a legal tender for all debts and the medium by which all commodities must be exchanged For this action they can give no intelligent reason. On being questioned about it their only reply was we want "an honest dollar." We must have a "sound currency." On the island there proved to be but one small spot where this metal could be found, and this falls into the possession of one whom we will call A. He discovers the metal and works the mine. He succeeds in taking out 51,600 grains of gold—a cube less than two inches square—which the government coins for him into $200 free of cost and permits him to loan them to the community at ten per cent interest or increase. This is a legally constituted arrangement for securing a power of exchange, necessitated by the action of these islanders in endorsing and entering into a division of labor. Without mastering the philosophy of the effect of these legal arrangements, they have unwittingly made this man the arbiter of their fortunes. They have placed in his hands the power to forge a chain of circumstances, which will in the end give him the power to lawfully obtain possession of their productions and their homes without giving them back an equivalent. By law they have made this man the legal owner of that material (gold), which they must have or cease to live by co-operation, and return to a state of barbarism. By this ownership they have crowned him with greater power than is conferred upon kings and emperors. He is absolute monarch and dictator of every financial condition on the island. By this ownership he has the right to loan, or to refuse to loan; the right to disburse, or to hoard; and as he does the

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one or the other, artificial prosperity springs up, only to be withered by artificial death and depression. When he loans business flourishes; when he refuses, business languishes and dies. By these manipulations he is able to reduce prices and lower wages; to corner both gold and productions, thereby exploiting both producer and consumer. And as all roads lead to Rome so all industries yield their profits to swell his income and increase his wealth. The community is now divided into two classes—borrowers and loaner; laborers and capitalist. On the one side are the laborers with their lands equally divided, on the other side the capitalist with his two-inch cube of gold, possessing in its legal action a power to absorb wealth more rapidly than the ninety-nine laborers can create it from all their lands. The financial and material condition of these islanders may be thus diagramed.

It will be perceived that by the two factors—land and labor—all wealth is created, and by the factor gold all wealth is measured and exchanged. Gold is not wealth nor the creator of wealth, but simply the tool by which the value of wealth is estimated and exchanged. The free and ready exchange of commodities greatly enhances the powers of production, and promotes prosperity. These advantages are ascribed to the power of gold, whereas it inheres in the easy and rapid exchange of productions, no matter by what methods this exchange is effected. We will now proceed to set in motion this financial mechanism of gold, which carries within itself the power to propagate nine-tenths of all the evil which besets the path of human endeavor. The following chart illustrates the debt-making and wealth-concentrating power of gold as it is now used in our legalized monetary system. The reader is earnestly requested to give careful attention to every detail, that he may know for himself that all which has been affirmed is susceptible of proof. A represents the banker owning a small piece of metal called gold; B, C, D, E, etc., are the laborers owning their lands from which all wealth is derived. This chart will follow the movements of these two hundred gold dollars

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as they circulate in society and record the various transactions which will transfer the ownership of the homes and lands of the toilers into the hands of the gold owner or capitalist. For the benefit of those who believe that whisky is the cause of all the poverty, we will assume that these islanders are all sober men, and that no intoxicant is manufactured or imported on the island.

CHART OF TRANSACTIONS.

Let A be the banker with a loaning capital of	$200
B borrows Jan. 1st, 1880, $100 for 1 year at 10 per cent	110
C borrows Jan. 1st, 1880, $100 for 2 years at 10 per cent	120
D borrows Jan. 1st, 1881, $110 for 2 years at 10 per cent	132
E borrows Jan. 1st, 1882, $120 for 1 year at 10 per cent	132
Due the banker Jan. 1st, 1884	264
Jan. 1st, 1800, G loans F for three years $100 at 10 per cent	130
Jan. 1st, 1880, H sells J a horse for $100 on three years' time	130
Debts due Jan. 1st, 1884	524
Money on the island to meet it	200
Increment of unpaid debt, or, DEBT GROWTH arising in three years	324

Before tracing these transactions, in order to avoid confusion, we will assume that no more dollars are coined or imported on the island, and also that the income of Banker A's farm is sufficient to meet all his expenses. We will also assume that these islanders are in possession of all needed tools and implements, such as plows, harrows, axes, hoes, etc., so that they can begin the development of their farms and the production of wealth. Since these productions are of various kinds, each man desires to exchange with his neighbor. It may be observed that no exchange is possible until wealth of some form has been created, but when wealth

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has been produced, because of natural barriers and their legal arrangements they cannot make exchanges without asking Banker A for a loan of that commodity (gold) which by their law estimates values, exchanges wealth, and which is the only commodity crowned with the power of being a legal tender for debt. Virtually this is asking his permission for the right to trade! Stalwart laborers, from the highest profession to the lowest ditch-digger, you may create wealth by the million, but you cannot, shall not, exchange with each other until you have obtained permission of that man upon whom your laws have bestowed the right to own your power or medium of exchange.

By referring to the chart (page 17) the reader will observe that B is the first member of society on the island whose necessities compel him to trade. Severe floods have destroyed his wheat and he must have some for seeding. He learns that neighbor G has an abundance. To him he goes with various propositions of barter for horses, hogs and corn. G responds: None of these things do I want, friend B. I must sell for money. My taxes are even now overdue. This forces B, if he obtains the wheat, to borrow $100 of Banker A, said loan being made for one year at ten per cent. This transaction has not arisen because of B's idleness or imprudence nor from the fact that he has nothing to sell, but from his necessity and the legalized arrangements of the community in which he lives. These have forced him to give the banker $10 for the privilege of trading—a privilege which under a system of justice would be free to all. Analyzed, this is a very peculiar transaction, having many phases. B sees no impossibility in the contract. He thinks, if he thinks at all, with the entire community, that raising wheat produces the same effect in increasing the number of dollars as mining and coining gold, that if he produces a good crop he has made money. In fact, he and all the community in which he lives believe that all that is necessary is to work hard, be sober and prudent and wealth and prosperity will follow. They do not comprehend that money cannot be increased by the production of commodi-

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ties, neither by circulation. C is another member of society who has lost his horse, and as spring approaches the same necessity which forced B forces him also. He has heard of B's transaction at the bank and follows his example. There is no way to escape and he borrows of A the other $100 for two years, at the same rate of interest. It is pertinent to pause here and inquire of the reader if he considers these men to blame for being in debt. Have not the arrangements made by the community for securing the power or medium of exchange forced these men, through no fault of theirs, to contract these debts? Has not a debt system been established by law? and if the community co-operate on the basis of a division of labor can the people as a whole ever be free from debt, if money circulates at all? Under such a system, when all debts are paid or canceled, there will be no money in circulation and money by this system can only be put in circulation by debt. We have been thus minute in analyzing the situation surrounding these islanders because so many persons believe that a condition of debt is the fault of individuals, whereas it is plainly the fault of the arrangements which governments legalize for securing a power of exchange. This difficulty must always exist so long as any commodity is used for a medium of exchange. Closing this analysis, we will now follow these $200 as they circulate through the community, for only as we follow and record every transaction made with these dollars can we know with certainty what effect will be produced. In following the circulation of these two hundred dollars, we shall discover that their number is never increased by that circulation.

The $100 borrowed from A by B when paid to G for wheat remains $100. When G pays them out for taxes their number will still be one hundred. The same is true of the $100 borrowed by C. Wheresoever these $200 may go their original number will never increase. Plant them or trade them, sow them or reap them, scatter them or gather them, pay them out, or receive them in, deposit them in bank or stocking, their number will ever remain the same. To believe otherwise is to believe that which is false, and to act

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upon that belief is to lay the foundation for financial disaster, ruin and national disruption. Let it be emphasized here that the number of dollars in circulation can only be increased by taking the metal and coining them or importing them from some other country. There rests a confusion in the minds of the people concerning the terms "make money" and "coin money." Governments make or coin money; the people earn it after it is coined or made. Money must be coined before it can be earned. This thought ought to be well digested. Yet startling as it may appear, B and C have never given one moment of serious thought to the subject and are entirely oblivious of the true philosophy of the situation, believing that their ability to pay debts depends entirely upon industry and prudence, whereas this ability is found in the increase of coinage, which A controls. The reader is kindly requested to note another fact. B and C, who are the two weakest members of society, by reason of their losses, are forced to pay a tax or tribute to Banker A for the use of these $200, while all the other islanders are able to secure the power of exchange free of cost, which is in itself an unjust discrimination between classes. For when borrowed money passes out of the hands of the borrower it then becomes a free instrument of exchange. At the end of the year we will assume that B has been successful and raised a good crop of wheat which he is able to sell, and obtain (not make or coin) $110 which enables him to cancel his obligation with A. This transaction gives the appearance of the possibility of paying interest; refer to the chart (page 17). But let us see. Upon what did B's ability to secure this extra ten dollars depend on the assumed proposition that no more dollars have been coined? Evidently they are a part of the $100 borrowed by C and if neither he nor any other had borrowed, B's wheat could only have sold for $100 and the ten dollars of interest owed to A could not have been canceled, and the impossibility of paying interest without an increase of coinage would have appeared at once. No records having been kept, the error escapes detection. An examination of these islanders'

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financial condition after B pays the banker $110 will disclose the fact that society has in its possession but $90. Accustomed to having $200, the withdrawal of $110 will produce a stringency so severe that some one, whom we will call D, will be forced to borrow. By chance (everything in the system is done by chance) he borrows of Banker A this same $110, and business runs fairly well again. By referring to the chart (page 17) the reader will observe that at the beginning of that year, when these islanders first created a debt, this debt was but $200, but at the beginning of the second year it had increased $20, for now C owes $110 and D has borrowed $110. Mark this GROWTH OF DEBT. It may also be observed that the ten dollars of interest which appeared to have been paid is now refunded into another debt on D's farm.

At the close of another year we will suppose that C, whose note now falls due, has been successful in producing some thing for which he obtains $120, with which he pays Banker A (refer to chart). By what fact was C able to obtain $120? From the fact that D had borrowed $110 and from no other. As before, if all the members of society will count all the dollars in their possession after C has paid A, they will find the sum to be but $80. Another money famine will be produced and one whom we will call E is forced to borrow. He presents his case to Banker A, who loans him the same $120 that C had paid his debt with. Again it will be apparent to the reader that this $20 supposed to have been paid by C is refunded into another debt on E's farm, and the close of the second year finds these islanders $241 in debt. The debt growth of two years has been $41 by the transactions, which have taken place at the bank alone. Other debts made by individuals outside the bank which produce debt growth will be examined later on. By reference to the chart the reader will see that at the end of one year D borrowed for two years and at the end of two years E borrowed for one. Consequently these two notes fall due on the same day. This is merely an accidental circumstance of no importance worth looking after, so the banker would have them believe.

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(What other inference can be drawn when they tell the farmers to go home and attend to their farms and let the great financiers run the money affairs of the country?) By reference to the chart it will be seen that D owes the banker $132 and E owes him the same amount. There now appears a debt of $264, which is $64 greater than the number of dollars on the island. This $64 is the debt growth of three years on the four loans of B, C, D and E, and will be found to be the sum of all the interest which has accrued upon their loans—viz., $10 upon B's note, plus $20 on C's, plus $22 on D's, plus $12 on E's. Not one dollar of interest, in reality, has been paid; has, in fact, only been refunded into other debts on other securities. The impossibility of paying interest without an equivalent increase of money now appears, and one or both of these men must fail. Both may, and certainly will, if by chance some one has left the island for a foreign tour taking with him a hundred dollars or more, or if the original $200 was composed of $100 of gold and $100 of silver and the government in the meantime had demonetized silver, thus leaving the $100 of gold as the only debt-paying power on the island.

The point which this demonstration settles here, and settles forever, is that an increase of debt has arisen from loaning money at an interest which can only be paid by coining $64, or importing $64, or by the banker spending $64, or when the sum of these three items shall equal $64. It settles another point also, that the interest accruing on the loans in a nation must be known and also the increase of money for its extinguishment, or business will be done by methods of chance where failures and foreclosures are the inevitable results. Not one penny of interest can be paid by any other means, if the banker demands his interest in money (and who ever heard of his demanding anything else?).

By no reloaning and by no recirculating of these $200 can this debt of $64 of interest be paid. And what is true of this $200 is just as true of any conceivable sum and its interest.

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A failure to keep the record will in no way affect the result.

The reader is requested to fix this principle firmly in his mind for future use, as we are now establishing principles for application later on in the work.

This demonstration will force the gold-standard theorist to acknowledge that unless $64 has been coined, imported or expended by the money loaners, neither of which was assumed in the hypothesis, one or both of these men must fail and be foreclosed. It will also force them to acknowledge that these islanders are doing business by methods which will produce failures and foreclosures through the impossibilities that arise unless an exact record of all debt contracts on the island is kept and a record of all moneys coined, of all moneys imported from and exported to foreign countries, of all moneys lost and taken from circulation and of all money expended by the money loaners, in order that the differences which arise between the debt contracts and the moneys provided for their extinguishment or liquidation may be known and these differences provided for. Otherwise these men are doing business by slipshod methods where panics, failures and foreclosures, with all their attendant evils of loss and concentration of wealth, depression, stagnation and want will be the inevitable result. If these islanders had kept an exact record of all their debt contracts and the times when they fell due, and by any method added $64 to their circulation, these men D and E might have escaped. Failing to keep these records and supply money to meet the debt growth one or both must fail, or they must refund their debts, which only defers the evil day; for by no process of reloaning or recirculation of these dollars, neither by greater industry nor economy, can this debt of $64 be canceled. The banker understands this and knows his power. He demands settlement, and as this is impossible the sheriff is ordered to foreclose at once. Here let the reader pause and ponder. Let him measure the full magnitude of the cruel injustice imbedded in these transactions. D borrowed on a farm worth $500 and by

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two years' hard labor in ditching, fencing, digging out stumps, setting out fruit trees, building and repairing he has added $500 more to the value of his farm. E borrowed on a farm worth $600 and by the year's work has added $400 value to his, so that now the two farms are worth $2,000, which the money loaner is permitted to take possession of, in the name of justice, law and order! By legalized process he obtains $1,736 worth of property for which he gave no equivalent whatever. The value of these farms consists solely in the labor expended upon them by D and E and now, through no fault of theirs, but through the fault of the system which they indorsed without understanding, they are forced to surrender to the money loaners their property worth $2,000. He is now able to extort from them rent for values which their own labor has created or drive them and their wives and children out on the highways to tramp, to beg, to steal, perchance to starve and die. It is pertinent here again to pause and ask the reader to give due reflection to this transaction. Were these men at fault for the loss of their homes and consequent poverty? Had they doubled their labor or quadrupled their economy would it have increased the circulating medium by a single dollar? Most assuredly not, for the number of dollars can only be increased by coinage or importation and only by an actual increase of dollars can these debts be paid.

Returning to the subject of the money loaner's power, it may now be observed that if he forecloses the land in satisfaction of these debts society will be left in possession of $200; but the banker will by law be permitted to rent these two farms worth $2,000. Interest on money and rents on land usually coincide and our banker is able to rent these farms on the 10 per cent basis and in one year the rent will bring back to him the ownership of the original $200. This deprives the islanders of all money, and thus deprived some member or members will be forced again to borrow it on the same terms as did A, B, C and D, and as like causes produce like effects the banker will be able in a few years more to

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foreclose two or three more homes, thereby giving him still greater power through rent and interest.

Thus year by year the concentration of wealth will increase and homeless men will multiply. By the power these rents and interest give to this money loaner he is able to command the services and products of labor and soon becomes a well-clothed, well-groomed and courteous gentleman. These exterior qualifications always command the respect and admiration of the multitude. His financial success enables him to travel at home and abroad, to appear in the halls of legislation where the people send their representatives; here by the seductive power of his position and the purchasing power of his money he buys their votes and obtains the grant of valuable franchises and the donation of rich lands. These swell his fortune and strengthen his dominion over men. The finality of these transactions will transfer the ownership of the entire island into the hands of this money loaner and leave the original owners serfs and slaves amid the wealth they have by their own labor created.

Returning to chart (page 17) we find that this $64 of debt impossible of payment has accrued because of a deviation from mathematical law. This deviation cannot be annulled or set aside by statute law. The decree of man can never make the sum of two and two make six; neither can an increase be laid upon our money obligations by legislation without giving the money loaner power to ultimately foreclose the homes of the people, unless said increase is systematically provided for.

The law declaring that 8 per cent or any other is the legal rate of interest is the most infamous power of robbery that ever blackened the pages of a nation's code. Under its exactions and executions the possession of homes soon becomes impossible and hope, happiness, honesty, virtue and patriotism perishes from the hearts of men. Vain will be the display of flags to resuscitate these sentiments.

Like the sinuous trail of the serpent, these dollars move through the channels of trade with such intricacy that their action is unnoticed and unrecorded and their debt-

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making power is unsuspected. Another factor in the financial system of these islanders may be even more potent than interest in producing debt growth and the concentration of wealth. Referring again to the chart (page 17) we will go back to the time when B borrowed the first $100 and paid them to G for wheat. G now owns these $100 and so does A, for A only loaned them to B. To whom do they then belong? and what will become of B's security if G should take them and go to Europe? We will assume that G does not do this and that he does not need this money for immediate use. He has an eye for business and is willing to turn banker, too, so he loans it to some needy neighbor whom we will call F, who wants it for three years, and who is willing to pay ten per cent for its use. The reader will now observe that F's note falls due on the same day that E's and D's falls due, making $394 of debt due with but $200 on the island to meet it.* This deviation from correct or mathematical principles arises from loaning the same dollars twice over, making $200 of debt due at the same time, with only $100 to meet it. Neither of these men knew how much money was on the island, nor did they know that any relation existed between the amount of business to be transacted and the amount of money needed; nor did they know that dollars could be made from any other metal than gold.

Like matters in Hafed's dream, all their transactions were regulated by chance, and so as production increased and population multiplied more and more business was transacted with debt (credit) regardless of the times when these debts fell due or the amount of money they had to meet them, and year by year their failures and foreclosures increased until the island was covered with bonds and mortgages and half the people had lost their homes and property without ever once suspecting the true cause. It is obvious that if debts are made dollars must be made to cancel them. If

*This mathematical deviation exists in the bank-deposit system of the United States, and is at once detected when the banks report four billion dollars on deposit and the Comptroller of the Currency reports less than two billions in circulation, showing four dollars of debt for every dollar in the country. Result: Bank failures, with robbery of the depositors.

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more dollars of debt fall due at a given time and place than there are dollars in that place it is evident that the amount of debt above the number of dollars must be either foreclosed, refunded or repudiated.

The third element which creates debt growth and concentration of wealth, encompassed in the system of exchange, which these islanders endorsed and legalized, is found in the fact that there is not money enough to transact all the business they wish to transact on a cash basis. (Refer to chart.) For instance, H has a horse which he desires to sell and J desires to buy. J has no money and no credit at the bank; H, however, believes that J is an honest man, and he is willing to trust him. He sells the horse for $100 and takes J's note for the same, bearing ten per cent interest, due in three years. It will now be seen that there are $524 of debt due on the same day, while there are but $200 to meet it. Thus by following these $200 and recording each financial transaction and the date of its maturity, it is found that an increment or growth of $324 of debt has arisen in three years above the amount of dollars to extinguish it. This growth of debt would arise if the number of the same kind of transactions were ten thousand or ten million. This debt growth is the sum of three mathematical deviations from true principle, namely, $124 usury or interest, $100 of debt produced by loaning $100 twice over and $100 made by buying on credit. There are three ways by which this increment of debt may be extinguished or adjusted. It may be foreclosed, refunded or repudiated. As all business is run by chance, perhaps all three methods may be used. F may be foreclosed; D may extend his time or refund; J may repudiate by abusing "confidence" and running away to Canada. Or they may pool their wits and succeed in refunding it upon the community by the following method: Let us suppose that D, E, F and J begin to realize, as they are sure to do, about six months before their debts fall due, that money is very scarce, wages low and work hard to obtain, and from the present outlook they will by no means be able to meet their obligations. They will, if shrewd, begin to

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cast about to find ways and means of payment. They are good mechanics and the dilapidated condition of their state house suggests the idea of bonding the island for the purpose of building a new one. They call the people together and convince them of the desirability of the plan. Bonds are issued to the amount of $324. They are sent to London, sold for gold and the money brought into the island. The work begins and D, E, F and J secure jobs and earn money enough to pay off their individual indebtedness and all the people view with pride and satisfaction the achievement of these industrious men. The banker, too, with smiling suavity, declares with unquestioned authority that "This is the most prosperous country the sun ever shone upon." But let us take time to reflect. Is the debt of $324 paid, or is it transferred to the collectivity, refunded into a bonded indebtedness against every home on the island? All understand that bonds are community or collective debts. These bonds have been drawn for twenty years at 5 per cent and at the end of this time the original $324 borrowed from London has been carried back in interest, leaving on the island only $200 with which to pay $324 of bonds.

The principal of these bonds must now be paid by the taxation of the islanders. Every individual must pay his pro rata of taxes. On the island there is but $200. Therefore, some must fail of having the amount necessary to pay taxes with. In the meantime foreign syndicates have located loan agents in every town and hamlet to loan money on farm property, and since by no means can $324 be paid with $200, therefore some among the people, naturally the weakest members of society, made so by sickness or some other unpreventable misfortune, will be obliged to borrow money to meet this taxation to pay off the foreign bonds. Taxation is levied and the bonds are paid and all throw up their caps and shout: "We have paid our debts."

The reader will not fail to see that an increment of debt of $124, the difference between $324 and $200, has not been paid. It has again been transferred, this time from the

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collectivity (all the people of the island) to the individual homes. Another fact of deep significance to these islanders worth the reader's closest attention is that in paying off these foreign bonds these islanders have lost their money volume of $200. The ownership of it has passed over to London. Worse than this; they are individually $124 in debt to these foreign money loaners; and still worse, if they do not at once recognize their right to make or coin money and also understand that a good dollar can be made from any material which they themselves by law decree they will be forever forced to borrow their power of exchange from foreigners, and the growth of debt arising from the usury on these loans will be foreclosed by the foreign money loaners and year by year these islanders will see the ownership of their lands and industries passing into the hands of a foreign country. As long as they maintain the gold standard they will be powerless to stay this foreign absorption. These formulated transactions reveal the methods which produce a growth of debt and the instruments—bonds and mortgages—by which it is perpetuated, being transferred back and forth first from the individual to the collectivity by bonds, then from the collectivity to the individual by taxation. If the mortgages are extinguished the people are bonded collectively; if the bonds are extinguished the people are mortgaged individually. All these processes of bonding, mortgaging, foreclosing, taxing and renting are going on simultaneously over a wide field of territory among parties unknown to each other. Their record is never kept and their true relation to each other is never comprehended, nor is the increment of debt which arises ever known or provided for, or liquidated except through the foreclosure of securities, which produces the concentration of wealth. These processes continually increase the increment of debt, which grows with their growth and fattens upon their decay until every home on the island is overshadowed with a mortgage and every county, town and city is blanketed with a bond. This increment of debt is impossible of payment unless the amount is known and intelligently provided for by one or all

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of the three methods which have been previously mentioned.

No amount of industry or frugality on the part of these islanders can abolish this increment of debt or the results which follow it. Even higher, higher rises this floodtide of ruin into thousands, millions, billions; ever faster, faster does it swell the fortunes of the money loaners, until the ownership of their island and its industries passes into the hands of foreign lords and dukes, who send their warships to collect their rents and interest at the point of the bayonet, as has been done in Egypt.

These islanders are now serfs and slaves amidst the wealth their own hands have created, enslaved by endorsing a system of commodity exchange, the philosophy of which they did not understand. For a nation of people doing business by these methods there is absolutely no hope and no salvation; every industry they establish and every home they create must in the end pass into the ownership of the money loaners.

By the use of $200 for three years, on the loans of which 10 per cent increase was legalized in six transactions, none of which were unreasonable or extravagant, it has been possible for a debt of $324 to arise, which is impossible of payment in accordance with the terms of the contract without an increase of money either by coinage or importation. Failing in this, we find $1,736 worth of property foreclosed and concentrated into the hands of a man who never by a single hour's toil honestly earned one penny of it.

The rapidity with which these transactions will accomplish concentration of wealth may be approximately calculated when we find by actual calculation that $200 loaned at 10 per cent and compounded every year will transfer to the money loaner over 65 billion dollars' worth of property, or more than the entire wealth of the United States in the short period of 184 years.

This is the result when every transaction is legal and characterized with the strictest honesty and integrity; how much more rapidly will the work be consummated when these

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principles are manipulated by dishonest bankers, capitalists and legislators; when dollars are converted into bonds, when debts are manufactured by law, when the volume of money is expanded and contracted, when millions of it is burned and millions more demonetized, when every juggling trick of fraud and chicanery that the cupidity and greed of man can devise and operate is clearly evidenced by the conditions now existing in the United States, all of which have been produced in the last thirty years! Can human ingenuity devise a more cruel and vicious system of tyranny and spoliation to rob and enslave the people by legally binding them to an impossibility and then compelling them to surrender their property to satisfy this impossibility?

The truth is, the harder these people worked the deeper they sunk in debt and destitution. The more they worked the more they produced; the more they produced the more they had to exchange; the more they had to exchange the more money must be borrowed; the more money borrowed the more the interest accrued; the more interest accrued the faster grew the debt; the larger the debt the more of their earnings were consumed in paying interest, and the more want and destitution they must endure. Enslaved by the power of gold.

To avoid confusion, it has been assumed throughout this illustration that these islanders did not increase their money volume, either by coinage or importation. and that the money loaners did not expend any money during these three years. We will now introduce these factors into our problem by supposing that $50 were coined, $50 were imported and the money loaners expended $24. Then it will be seen that the sum of these will cancel $124 of debt, which will still leave $200 of debt to be foreclosed, refunded or repudiated. By this increase of money the growth of debt and the resulting concentration of wealth will be less rapid, but it will not be extinguished unless the increase of money is equal to the debt growth.

Before leaving this subject to draw conclusions it is worth noting that debts made by loaning the same dollars more

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than once and debts made by buying on credit may be canceled by the circulation of money when due regard is paid to the time when these debts fall due. For example, suppose B borrows $100 of A and pays a debt he owes C. C loans this to D, who pays his debt to E, who again loans to F. Here is a debt of $300 which has been created by loaning the same $100 three times. If these debts fall due upon the same day we may be reasonably sure that the dollars cannot be made to circulate rapidly enough to cancel these debts; but if the dates are not identical then it will be possible for F to purchase something of B worth $100, who then can pay A. A can buy of D, who can then pay C. He can purchase of F, who then can pay E. These debts have thus all been canceled by circulation. But if B borrows money of A for sixty days and pays his debt to C, who reloans it to B for sixty days, and so on, until it reaches F, who keeps it in his pocket for six months, it will be seen that it is not safe to count on circulation for paying debts, and that the loaning of money over and over again is a dangerous and unscientific method of doing business, which will produce any amount of financial disaster.

Interest, which has been shown to be a factor in creating debt growth, cannot be paid or canceled by the circulation of money when the entire volume is loaned into circulation. It was clearly proved by the first four operations on the chart that interest continually refunded itself, and will always do so unless the coinage, importation of money and the expenditures of the money loaners are equal to the amount of debt accruing by interest. Increase by one or all three of these methods is the only means by which interest can be paid.

We are here confronted by the practical man who says: "Oh, yes, you reformers are all right as theorists, but when it comes to practice your theories do not work. Business is now performed with bank checks and drafts and very little money is needed; in fact, money cuts a very small figure in the business world to-day. Checks perform all the work." And so he runs on until, out of breath, he is compelled to

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stop from sheer exhaustion. There is no use in trying to arrest him in his prattle, for he is so badly afflicted with check on the brain that an ounce of fact and philosophy never so carefully administered would prove fatal. The business world has no time to-day to follow any train of thought to its ultimate conclusion, and so we must endure this sapient prattle until these men personally confront such conditions as will compel them to think and reason.

For the benefit of those who are trying to educate themselves upon this great question we will explain the check system which the bankers are now trying to force the people to believe is so much better than a system of money.

A check or draft is an order for the payment of money drawn on a banker and payable at sight.

Before the banker ever issues a check of this character some person must first deposit a sum of money equal to the amount which the check calls for, or money obligations, such as well-secured bonds, iron-clad notes, mortgages, etc., may be sold to the banker at a discount and the proceeds placed to the credit of the seller, against which proceeds he can draw checks. These checks pass from person to person, making exchanges and paying debts. Every person is willing to take the check who believes in the solvency of the bank on which the check is drawn. But no check so issued ever did or could perform any more exchanges or cancel any more debts than the dollars which were deposited to obtain it. And if these dollars had been used instead of the check just as much business would have been performed. In the course of business transactions these checks must finally come into the possession of persons who will present them to the bank on which they were drawn to be redeemed in money, or they may, if drawn on different banks, be canceled at the clearing house. For instance, H deposits $100 in bank No. 1 and receives a check. J deposits $100 in bank No. 2 and receives a check also. These checks may perform hundreds of exchanges and cancellations of debts and finally be canceled themselves at the clearing house, if it should happen that check No. 1 should fall into the pos-

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session of bank No. 2 and check No. 2 should come into the ownership of bank No. 1.

But still no more business has been done or exchanges performed than could have been performed with the money on which the check was issued. When bonds, notes, mortgages and other debt obligations are discounted by the banker and checks issued to the sellers these checks, too, will make exchanges and cancel debts the same as checks drawn on actual cash. These checks may also cancel themselves at the clearing house, but when so canceled this does not cancel the notes, bonds and mortgages held by the banker nor prevent the banker from demanding settlement, in money, of those persons who drew and signed these evidences of debt. And as these were drawn for the want of a sufficient quantity of circulating medium no increase of business was secured by them above that which would have been performed by creating dollars instead of debts. No substitute for the dollar can ever perform more work than the dollar itself. The check can transact no more business than the dollars which were deposited to secure the check, neither can they avert the payment of debts nor prevent more dollars of debt accruing than there are dollars to meet these debts nor the results of foreclosure and failure which follow.

Let the reader carefully note that it is not the dollar, nor any legitimate action of the dollar, which produces financial disturbances, but it is debt contracts (bonds, mortgages and notes) which follow the loan of the dollar that create failures, foreclosures and panics. So long as the dollar performs its legitimate function in exchanging production from person to person no evil effect follows its use. Every debt is an evidence of the insufficiency and inadequacy of the power or medium of exchange.

The remedy for the evils from which we suffer will be found in making dollars instead of debts.

To see a whole nation full of people wildly, madly rushing hither and thither, from pillar to post, from Maine to Alaska, from Florida to California, from city to city, from

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state to state and from one nation to another, crossing oceans, scaling mountains, facing arctic frosts and tropic fevers, searching, struggling, scheming schemes that mortal never dared to scheme before; even schemes of robbery and murder against their brother-man, all to get dollars, at the same time persistently, stubbornly, idiotically denying themselves the right to coin them, is a sad commentary on the intelligence of the nineteenth century.

We have now logically, scientifically and mathematically demonstrated beyond the possibility of doubt or disputation the impossibilities imbedded in a system of commodity exchange, where the commodity is insufficient in volume to do business on a cash basis and where it is loaned into circulation with an increase attached to the loan. It scarcely need be suggested that if the size of the island, the number of the people and the money of the bank were doubled, or if two banks were established, each with $200 capital, the growth of debt and the power of wealth concentration would be doubled also.

If all these factors were multiplied by ten no change in the relations of debt and absorption would occur. Or if the banks were ten thousand, their loaning capital $2,000,000,000 instead of $200, and the number of people seventy million, there would be no material change in the mathematical relations and results. Debt growth and the concentration of wealth are the natural and mathematical results that will always follow these methods of doing business.

The only reason we are unable to calculate the precise time when bankruptcy will occur is because we do not keep the record of every transaction which produces an unpayable debt and all the factors which extinguish or liquidate it. Money is a species of bookkeeping with a debit and credit side which must be correctly kept and balanced.

It is in season now to ask the reader specifically to designate the differences, if any, between the methods employed by these islanders for securing a medium of exchange and the methods employed and legalized by the people of the United States. It is here affirmed that they are one and the

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same; identical in processes; identical in results; differing only in the volume of money used, the number of people using it and the size of the territory occupied by the system.

To prove otherwise it would be necessary to know how many dollars of debt arise from interest, how many from loaning the same dollars more than once and how many are made by buying on credit and the identical dates on which all these debts fall due. It would also be necessary to know how many dollars are coined, how many are exported from the country, how many are imported into the country, how many are taken out of circulation, how many are lost and the exact amount of the expenditures of the money loaners. Failing to know all these items, our gold standard opponents are at sea in a tub, neither having chart, compass, pilot nor rudder; no, not even the guiding ray of the polar star. They see not the whirlpool just ahead that will swamp their craft and immerse them in the same waters of financial ruin in which so many of their fellow citizens have been submerged.

By these illustrations all the factors of our financial system have been examined and traced. Summing up, we find three factors or elements which produce debt growth—viz., interest, loaning the same dollars more than once and buying on credit. There are three ways by which this debt growth might be liquidated without loss or foreclosure—viz., by coinage, by the importation of money from foreign countries (by exporting more goods than are imported and by the expenditures of foreign travelers) and by the expenditures of the creditor classes. If the sum total of these three does not equal the debt growth there are three ways by which it is adjusted. It may be foreclosed, repudiated or refunded. All three of these methods of adjustment are employed, dealing great injustice and wrong to all the parties concerned. If debts are foreclosed the creditor usually secures about three times the value he loaned, which is a cruel injustice to the debtor, by taking something for which no equivalent has been given. If debts are repudiated then

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the creditor loses that which rightfully belongs to him and he is the injured party.

If debts are refunded the evil day when one or the other of these alternatives must occur is deferred. No record of these three items of debt increase is ever kept, nor is their sum total ever known, and no provision for the honest extinguishment of debt growth is ever made. So year by year the concentration of wealth increases by our failures and foreclosures, and year by year our debts enlarge by being refunded and the interest compounded.

There is no practical way of providing for this increase of debt under the present system unless the number of dollars is increased to the extent of the debt growth; failing in this it constantly refunds itself, and as our debts enlarge money becomes more difficult to obtain because the securities which must be put up in order to obtain money constantly diminish, until finally they all become covered with bonds and mortgages and money almost wholly disappears from circulation. Chaos follows. It will also be apparent that if an amount of money equal to the debt growth was obtained and thrown into circulation without debt very few, if any, failures would occur. So vast have been the exploitations of the people of the United States by and through these processes that one stands appalled not only at the magnitude of the crime but at the stupidity or treachery of the economists and statesmen in their failure to expose it. Debt upon debt; foreclosure upon foreclosure; panic upon panic; disaster upon disaster, until we, a robbed and robbing people, stand upon the very brink of national bankruptcy and disruption.

These processes have been going on so long and these intricate relations here described are so little understood that those who are benefited by them have come to look upon them as honest and legitimate, and those who have been the victims have become accustomed to regard their misfortunes as the results of their own mismanagement or the allotments of an inscrutable Providence, whose decrees it were impious to question. For thirty years a greedy set of grasp-

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ing cormorants and inhuman vultures, whose principal dens of devastation are located in London and Wall street, have by these processes, and others still more infamous, pillaged the people and confiscated the land until a wail of despair ascends from millions of crushed and bleeding hearts and the nation is filled with homeless, penniless multitudes who are unable even to obtain employment.

That these demonstrations give true interpretation to the causes which have led to our deplorable condition of congested wealth and unpayable debt of $40,000,000,000 must be so glaringly apparent that the wayfaring man, though a gold-standard Republican, may not be fooled again.

For thirty years the American people have been admonished by one of the most impressive and suggestive object lessons ever enacted before the eyes of intelligent men without once arousing their suspicion or enlisting their serious consideration. For a quarter of a century Bradstreet and Dun have reported through the weekly and daily papers "219 failures this week, against 217 of the corresponding week of last year;" "225 failures this week, against 219 of the corresponding week of last year," and so on until 425 failures were reported in a single week (July, 1893). Week in and week out, month in and month out, year in and year out, this red flag of anarchy has been flung in their faces without their comprehending its awful meaning or putting forth any adequate effort to investigate the causes which have led to these widespread disasters. When questioned their only reply is: "It always was and it always will be," or "People fail because they do not have sense enough to run a business." There is a grim truth in this last remark which is truly pathetic. Interest is in every sense unjust and unscientific and the nation that travels over a highway paved with bonds, iron-clad notes and cutthroat debt obligations travels the road of legalized robbery and financial ruin, at the end of which lies the precipice of anarchy and national dissolution. The dumb inarticulate cry of "interest," "interest," "interest," now heard throughout the length and breadth of the land is but the roar of the surging breakers

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just ahead toward which our beloved country—the greatest and grandest Republic ever organized—is blindly, madly rushing with ever-increasing impetuosity.

From that point of time buried so far away in the catacombs of the dead past that all memory of it has been obliterated from the archives of history, when the prehistoric nations made gold and silver their medium and power of exchange, the curse of debt impossible of payment has eaten up the substance of the people and destroyed the stability of all forms of government. At first a small cloud, no larger than a man's hand, at last a hideous, whirling cyclone, black with crime and freighted with destruction. And thus it always must be with all nations to the end of all time who use gold and silver for their power and medium of exchange.* Like causes will produce like effects.

Historical evidence is not wanting, both ancient and modern, to confirm these conclusions. So well did Moses, the great lawgiver of the Jewish people, comprehend the disaster of debt which lay imbedded in commodity exchange that he wisely instituted laws which, if they had been observed, would have counteracted both the concentration of wealth and the growth of debt.

The law which absolutely forbade usury prevented the growth of that part of debt which is unpayable without an increase of money. The law repudiating all debts every seven years prevented the growth of that part of debt which

*A friendly critic pronounces this last sentence unscientific and requests that it be stricken out. This critic may never have come to regard money as a tool or instrument by the means of which a certain kind of work is to be performed. When he does he will see that it is as unscientific, and consequently uneconomical, to manufacture money from a material more expensive than utility demands as it would be to make any other tool or instrument from a material more expensive than is demanded by its use. If all the governments of the world should assume the ownership of all the gold and silver and also all the mines now known to exist and give to gold and silver money exclusively the legal tender quality there would not be a sufficient quantity to do the business of the world on a cash basis, and debts arising from doing business on credit would increase the same as the debts which arise from interest and would be unpayable only through foreclosure. Therefore we must conclude that both gold and silver are unscientific material on which to place the money stamp. Our problem rests not only with the material from which money is made, but also with methods of circulation and the liquidation of debt. All debts must be made possible of payment by an adequate circulation scientifically disbursed.

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arises from buying on credit and the reloaning of the same money more than once. Then to prevent the concentration of wealth which arose through the foreclosure of debts during the six years in which there was no releasement the fiftieth year was proclaimed the year of Jubilee, when all the lands that had passed out of the hands of the debtor class were restored back to the original possessors. The power of metallic money or commodity exchange to create debt impossible of payment and the concentration of wealth which would follow was most surely known to Moses, else these counteracting laws, which on the surface have the most decided appearance of injustice, would not have been instituted in the Jewish code and the direct curses of God pronounced against the people if they disregarded them.* Obedience to these laws would have so preserved equality of wealth and opportunities that the prophets of a later day would not have bewailed the pitiful conditions of Judea, saying, "Our inheritance is turned to strangers, our homes to aliens." "The young children ask bread and no man break it unto them." "The hands of the pitiful women have sodden their own children." "Our skin was black like an oven because of the terrible famine." This wisdom of the ancients seems always to have been the inheritance of the Jews, and while they have no country and are scattered among many nationalities, where often they are not permitted to own land, yet so well do they understand the power of money when loaned that we seldom ever see a Jew who is either a tramp or a pauper. Acting upon this ancient knowledge, the House of Rothschilds, with a few co-religionists, conspire to own the world.

The power to accomplish their designs will be readily understood by a few mathematical calculations. The National bonds drawn upon the various nations of the earth are now estimated to be 28 billion, largely, if not wholly, held in London. This is three and one-half times all the metallic money of the world, which reveals the fact that the

*Ex., xxii., xxv. Deut., xv. Deut., xxv. Deut., xxviii. Eze., xviii. Neh., v.

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money of the world is primarily owned in London and the nations of the earth are doing business with borrowed money, owning not one dollar of their circulating medium. These bonds are drawing 4 per cent interest, which annually amounts to $1,120,000,000. This is more than three times the annual output of all the gold and silver in the world, and seven and one-half times the output of the world's gold.

The world's interest-bearing debts are now estimated to be over 200 billion dollars, which is twenty-five times all the gold and silver money in the world and fifty times the amount of the world's gold. The annual interest at 10 per cent would be 20 billion dollars, which is a sum fifty-four times greater than the world's annual output of both gold and silver and 108 times the world's annual output of gold.

The power of this vast growth of debt to concentrate the ownership of the world into the hands of the few men who own the gold must certainly be comprehended by all who will study these calculations, and the man who cannot understand that this work will be accomplished in one-half the time when silver is demonetized is too imbecile to be allowed the privilege of voting. All this vast debt has accrued by three mathematical deviations, which have been described—namely, interest, loaning the same dollars more than once and buying on credit. There is but one cure. Dollars must be made instead of bonds, notes and mortgages.

The last pages of this book will clearly demonstrate the success of the money mongers.

What a marvelous contrast between the laws for the protection of the debtor classes, as established by Moses, and the *Roman law of the twelve tables, which sanctioned the creditor, after some preliminary formalities, to scourge his debtor to death, and if the debtor had several creditors they might cut his body in pieces, each taking a piece in proportion to the amount of his debt. If the creditors did not resort to this horrible

*Speech of Judge Henry C. Caldwell.

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atrocity they were authorized to reduce him to slavery and subject him to chains and stripes, or sell him and his wife and children into foreign slavery. The laws of Greece prior to Solon were little less severe than those of ancient Rome, except the creditor was not permitted to kill his debtor. The cultivating tenants and small farmers weighed down by debt were first deprived of their property and finally with their families were reduced to slavery. The growth of debt went on until all the small farmers and tenants were converted into slaves and there grew up but two classes in the state—the large land owners and the poor debtors reduced to slavery.

Between the arrogant profligacy of the rich and the destitution and misery of the slaves the state was about to perish. In its extremity it was saved by the justice and the wisdom of Solon. He abolished imprisonment for debt; set all slaves free who had been adjudged so for debt and canceled all contracts in which the debtor had borrowed on the security of his person or his land.

Mortgage debts were repudiated by pulling down the stone pillars erected on the land, which were at that time used to record the debt.

Coming down to recent events, our own history affords a striking example corroborative of the position here elucidated. During the war nearly $2,000,000,000 were thrown into circulation without debt. The result was, to an extent never before known, the debtor classes were able and did pay their debts and the failures of the country were reduced to a minimum, being respectively 485, 502, 530 and 532 for the four years 1863, 1864, 1865 and 1866! Then came the contraction policy with all its withering, blighting curse of sheriffs' sales, mortgage foreclosures and business failures —2,386 of them in 1867! Since this time there has been a steady increase, until now they have reached nearly 16,000 in a single year and our growth of debt is over $2,000,000,000 a year, or over six million every twenty-four hours. This appaling phenomena can be accounted for upon no other hypothesis than that laid down here. Let him who thinks

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it can be, at once proceed to enlighten this distracted world that these appalling losses which send men down to poverty and crime may soon be numbered with the things of the past. From this analysis, which encompasses and shows the relation of every factor in our financial system and agrees with all known facts, we must conclude that business done with borrowed money on which interest accrues and by buying on credit must always result disastrously unless the coinage equals the debt growth or it is otherwise provided for.

If the reader still doubts let him carefully study the following table and note the decrease and increase of failures, with the increase and decrease of coinage. By the use of $200 for three years, on the loans of which 10 per cent increase was legalized, in six transactions, none of which were based upon unreasonable or improbable conditions, it has been proved that it was possible for a debt of $324 to accumulate which was impossible of payment in accordance with the terms of the contract without an increase of money either by coinage or importation. Failing in this we find $1,736 worth of property concentrated into the hands of a man who never by a single hour's toil honestly earned one penny of it.

In the United States we find ten or twelve thousand banks and loan associations loaning into circulation a sum of money varying from one to two billion dollars, which is the entire volume, by the same methods and similar terms. By the bank-deposit system we find this same volume of money loaned over and over again, probably not less than four times. Thousands of pawnshops and private individuals are loaning money on rates of interest varying from ten to three hundred per cent. Thousands and tens of thousands of transactions are effected by means of promissory notes and promises to pay. The increase of our money volume is not one-thousandth part of the debt growth, while, as will be seen by the table on page 44, many years show a positive decrease. We see the same results of business failures, foreclosures, panics, concentration of wealth and debt growth,

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THE BLACK PAGE OF AMERICAN HISTORY

Year	Increase of Gold and Silver money from 1857 to 1861, and the increase and decrease of Gold, Silver and Paper money from 1861 to 1896.		Number of financial failures from 1857 to 1896	Liabilities.
1857	$17,352,073	Increase	4,932	$201,750,000
1858	38,528,455	Increase	4 225	95,749,000
1859	23,790,477	Increase	3,913	64,394,000
1860	19,557,396	Increase	3,673	79,807,000
1861	$83,554,042	Increase	6,993	207,210,000
1862	270,888,541	Increase	1,652	23,049,309
1863	621,172,601	Increase	485	6,864,700
1864	52,889,061	Decrease	502	8,379,000
1865	710,149,233	Increase	530	17,625,000
1866	182,061,132	Increase	532	47,333,000
1867	442,204,451	Decrease	2,386	86,208,000
1868	492,240,344	Decrease	2,008	63,774,000
1869	43,225,345	Decrease	2,799	75,954,009
1870	14,649,201	Increase	3,551	88,242,000
1871	17,747,735	Increase	2,915	86,252,000
1872	25,634,487	Increase	4,069	121,056,000
1873	40,631,020	Increase	5,183	228,499,000
1874	57,578,056	Increase	5,882	115,339,000
1875	42,999,369	Increase	7,740	201,070,363
1876	14,748,387	Increase	9,092	191,119,786
1877	14,144,672	Increase	8,872	190,660,936
1878	75,802,594	Increase	10,478	234,383,132
1879	80,679,726	Increase	6,658	98,149,053
1880	78,480,163	Increase	4,735	65,752,000
1881	188,897,106	Increase	5,582	81,155,932
1882	164,613,245	Increase	6,738	102,000,000
1883	56,001,515	Increase	9,184	172.874,172
1884	1,152,004	Increase	10,968	226,343,427
1885	3,734,338	Decrease	10,637	124.220,321
1886	1,555,222	Decrease	12,292	229,988,238
1887	13,557,010	Increase	12,042	335,121,887
1888	40,285,606	Increase	13,348	347,659,956
1889	10,796,090	Decrease	13,277	312,496,742
1890	50,838,109	Increase	15,335	408,566,605
1891	52,039,424	Increase	12,273	189,868,638
1892	48,654,678	Increase	10,344	114,044,167
1893	103,811,039	Increase	15,242	346,779,939
1894	87,640,417	Increase	13,885	172,992,856
1895	72,811,103	Increase	13,013	158,842,445
1896	92,736,467	Increase	15,088	226,096,838
Total of failures and liabilities,			293,053	$6,147,672,451

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as was seen on the island. By these financial methods the people of the United States, who are the most energetic, inventive and industrious on earth, have, while working to their utmost, imposed upon themselves a debt of $40,000,000,000 in the last thirty years; while not less than about the same amount has either been repudiated or foreclosed. The preceding table only partially reveals the magnitude of these crimes, for in this table neither the failures below three thousand nor the foreclosure of real estate are recorded.

Let no one who reads this blackest page of human history ever again raise his voice against these destitute, homeless multitudes, contemptuously asserting that "it is their own fault; they have brought these evils upon themselves by their own extravagance and idleness." It is infamously false. By the legalized processes here described nine-tenths of these afflicted and stricken people have been robbed of their homes, their labors and their education. What if in their ignorance and poverty they do not understand the methods employed to rob them? An avenging eye beholds it all and the oppressor shall not pass out from under the rod until he has paid the utmost farthing. Your gains have been filched from the poor; from you these riches shall melt as snow before the summer's sun.

From these deductions there is no escape; that which ye sow ye shall reap. Your gold and silver is cankered and the rust of them shall eat your soul as with fire.

My task is done. This chart, sublime in its simplicity, proclaims to a world lying in darkness the scientific solution of that so long unsolved problem of which Blanqui exclaimed: "Happy our generation if science sometime gives the key." It reveals the incantations and machinations complained of by Senator Ingalls by which one-half the wealth of this great nation has been legally stolen from the hands of those who created it and the ownership of it transferred to those who gave no equivalent for it—the idle few. Hitherto the only epitaph man has inscribed over the buried achievements of his past greatness is "Nations rise and na-

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tions fall." But henceforth this chart shall point with unerring certainty to the disease—concentration of wealth—and the cause of this is debt produced by the use of gold and silver money. Go forth; thy mission is as broad as humanity; thy power as great as truth.

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CHAPTER III.

AN EXAMINATION AND PHILOSOPHICAL ANALYSIS OF THE WAR DEBT.

The considerate reader, who questions while he reads, may pause here and ask: "WHY has such a gigantic debt of forty billion dollars been generated in so short a time?" Other nations have been able to withstand a debt-refunding system for many centuries, while we here in America have traveled this road to ruin and bankruptcy in less than forty years! All effects have causes; all phenomena have explanations; all problems have solutions; the light of investigation reveals all mysteries. The reader's attention will now be directed to the financial history of the four years of the civil war (that part which has been so long suppressed both from the papers and the common school histories), believing it will afford data, the real relations of which have never been thoroughly and truthfully explained. When this is done it will be clearly seen that not all the foes of human liberty held their councils in the city of Richmond; but beneath the very dome of the capitol at Washington plots and counterplots, widespread and far-reaching in their effects, were being enacted into law.

In 1861 the war of words, which had been waged for forty years with more or less implacable hatred, culminated in a war of bullets, for blood alone could appease the fierce passions which had been engendered by these long discussions. The financial history of the war furnishes a splendid example of what may be accomplished without gold, and also the fallacies of debt which are secretly imbedded in the system of commodity exchange. It absolutely annihilates the gold standard theory that a dollar must contain a dollar's worth of intrinsic value, for if the paper on which the government placed the dollar stamp was not a dollar then the old sol-

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diers were never paid one cent for their services and the government still owes them and should at once levy an income tax on the millionaires and pay them in gold. For the first time in the history of man a gigantic work costing more than seven billion dollars was carried through without the use of gold. But so accustomed were the people to the phenomena of debt that arises from the use of gold that when they themselves had accomplished the work of crushing the rebellion by the use of paper money they were easily deceived and made to believe that they owed foreigners for that which they themselves had done!

During those four years of carnage, death and devastation various acts of Congress made it possible for foreigners to come into our country and buy up our money at a depreciated price and convert it into a bonded indebtedness of nearly three billion dollars, which debt had no foundation except in false theories and bad legislation. The situation briefly analyzed reveals the fallacy of this debt theory.

First—In order to suppress the rebellon there must be men to fight the opposing forces. The men who fight must be armed, fed, clothed and paid.

The rebellion was defeated by American soldiers. Not an Asiatic or European was called upon for assistance. Therefore we could not have owed other nations for men. Our soldiers were fed upon bread, pork, beef, beans and potatoes raised by American farmers. They were clothed with American wool woven in American mills by American girls. The lead and iron which supplied the arms and ammunition were taken from American mines and wrought into the munitions of war in American factories by American mechanics. The corn, oats, hay, wool, horses and mules were also supplied by the American farmers. And American money—United States Treasury notes—called greenbacks made all the exchanges or payments. First, it paid the farmers for the bread, beef, pork, beans, potatoes, corn, oats, hay, horses, mules, wool and all other things which they supplied. Second, it paid all the factories for blankets, uniforms, guns and ammunition. Third, it paid the miners

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for mining the lead and iron. And, fourth, it paid the soldiers for their services. So that when the soldiers were discharged, at the close of the war, every soldier was paid in full. Every farmer, miner and manufacturer had been paid in full. How then was it possible for this government, several years after the war was over, to find itself owing men in London and Wall street several hundred million dollars? Men who never fought a battle, who never wove a blanket or made a uniform, who never furnished a pound of bread, beef, pork, beans, potatoes, corn, oats, hay, horses or mules; who never molded a shot or shell, in fact, men who never did an honest day's work in all their lives. The fact is, and was, that we do not, and never did, owe them for these things. The fact is, and monstrous is the fact, that millions and billions of dollars earned by the sweat and blood and tears of American laborers have been poured into the coffers of these men for absolutely nothing. The fact is, and it is one of the most disastrous facts in the history of the United States, that this "sacred war debt" over which so much printers' ink and preachers' prattle has been employed, for the purpose of delusion, was only a gigantic scheme of fraud, concocted by European capitalists and enacted into American law by the aid of American congressmen, who were either their paid hirelings or their ignorant dupes, and who, in either case, had they received their just deserts, would long before this have shared the fate of Benedict Arnold. That this unparalleled crime has remained so long unquestioned and uncovered is due to the power of partisan prejudice, which, when once excited, seldom permits the victim to see clearly, think calmly or reason correctly. As was foreshadowed by our martyred Lincoln, "The money power has endeavored to prolong its reign by working on the prejudices of the people." Every conceivable means has been employed to deceive and cajole the masses. Ridicule, derision, abusive epithets and billingsgate have been freely applied to all opposition, while adulation, flattery, self-praise and appreciation were the methods employed for creating contentment of the mind and satisfying

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all doubt as to the honesty of those who were conducting the affairs of state. The first general intimation of this foreign interference with our financial affairs was derived from a letter, which is now known as the "Hazzard Circular." This important document was first made public by Isaac Sharpe. This gentleman testified under oath that in 1873 he was the attorney of the First National Bank at Council Grove, Kas., and that he, with the cashier of the bank, was one day looking over some old papers, when the cashier called his attention to this document as throwing light upon the subject of the national banking system. Mr. Sharpe has attested to all the particulars of its discovery under oath.

This circular is inserted here, that the reader may be able to more fully comprehend the sequel. It was written by an English capitalist to his capitalist friend in Wall street in 1862:

THE HAZZARD CIRCULAR.

Slavery is likely to be abolished by the war power and chattel slavery destroyed. This I and my European friends are glad of, for slavery is but the owning of labor and carries with it the care of the laborer, while the European plan led on by England is for capital to control labor by controlling the wages. THIS CAN BE DONE BY CONTROLLING THE MONEY. THE GREAT DEBT THAT CAPITALISTS WILL SEE TO IS MADE OUT OF THE WAR MUST BE USED AS A MEANS TO CONTROL THE VOLUME OF MONEY. To accomplish this the bonds must be used as a banking basis. We are now waiting for the Secretary of the Treasury to make his recommendation to congress. It will not do to let the greenback, as it is called, circulate any length of time, as we cannot control that.

Here, then, is the scheme. "Capitalists WILL SEE TO IT that a DEBT is MADE out of the war." And here is the unfolding of the plot by which they accomplish their unholy designs.

When the soldiers enlisted their contract with the government was for $13 per month. As the government had always paid its obligations in coin the soldiers believed and expected that their pay would be coin and have always felt that the government wronged them by paying them in depreciated paper. Having no gold and an empty treasury the government was at once forced to resort to the expedient of issuing its own credit, called Treasury notes.

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The first issue, which was authorized by act of congress, July 17, 1861, was for $50,000,000 not bearing interest. A supplemental act was passed Aug. 5, 1861, making them full legal tender for all debts and dues in the United States; these, with ten million more authorized Feb. 12, 1862, were afterward known as the old demand notes. These notes circulated at par with gold during the entire war, and at one time were 1-2 cent above gold in London. Now mark the power and the right of this government to create money which is good for every debt within its border. This sixty million proved to be the best money ever made by the United States, for when gold was worth $2.85 this money was $2.85 1-2 in London, clearly demonstrating that the United States can make a paper dollar as good as gold and half a cent better. It may also be observed that these notes bore no interest and were disfigured by no "Exception clause." The inevitable conclusion derived from this transaction is that if the government had the right to make this $60,000,000 without "exception" and without interest it had the RIGHT and POWER to make $60,000,000 more of the same kind, or as much more as was needed to put down the rebellion. This right has been sustained by the decision of the Supreme Court. But no; the Argus-eyed capitalists of Europe were keenly watching the movements of this government; for they were masters of finance and thoroughly understood, if it were known that government paper would do the business of the country, that their power to plunder the people through gold would be destroyed. The next step in obtaining money, therefore, was instigated by the capitalists, who were to "see to it that a DEBT was MADE out of the war."

They persuaded President Lincoln and his advisers that they (the bankers) were able to furnish the sinews of war. Therefore a loan of $150,000,000 was negotiated with the associated banks of New York, Boston and Philadelphia, but before they had taken much of the loan, says Thaddeus Stevens, the banks broke down and suspended specie payments December, 1861. Moreover, these very loyal

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bankers insisted on shaving the government paper to the extent of about 33 per cent on the dollar, an extortion which neither President Lincoln nor Secretary Chase was willing to submit to. The third attempt for furnishing money for carrying on the war was directed by the ways and means committee of the House of Representatives, with Thaddeus Stevens as chairman. Mr. Stevens enjoyed the confidence of his colleagues and of the entire country as being one of the best-informed men upon the subject of finances in the House. After two months' deliberation a bill drafted for the government issue of $150,000,000, which should be full legal tender for every debt in the United States, passed the House of Representatives Feb. 25, 1862, and was hailed with delight throughout the length and breadth of this land by all intelligent, honest men who had the welfare of the country at heart. Congratulations, says Mr. Stevens, poured in from all parts of the country from all trades and professions. There was, however, one class of men who sent no congratulations. These were the Wall street bankers—the eternal foes of human liberty, the vampires of civilization, the merciless, pitiless leeches upon the efforts of labor. Forth from their dens of infamy in Wall street ten of them rushed to Washington to lobby the Senate. What secret cabals may have been held, what diabolical plottings entered into, what sums of money may have been expended we have now no means of knowing. We have, however, the invaluable testimony of Mr. Stevens, the author of the bill, who said in a speech delivered upon its return to the House from the Senate, "that the agents and cashiers of the associated banks were soon on the ground and fell upon the bill in hot haste and so mangled and disfigured it that its own father would not have known it." In the Senate this amendment was tacked upon the bill: "Good for all debts and dues of the United States EXCEPT DUTIES ON IMPORTS AND INTEREST on the PUBLIC DEBT" ($150,000,000 previously mentioned, plus $70,000,000) owed by the United States government before the war began. A

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provision in the original bill gave this "Exception clause" its power for evil. The bill provided that this issue should be convertible into United States bonds at face value, placed there unwisely, as we now know, to give supposed security to their holders. But had not the "Exception clause" been placed upon the bill they would never have depreciated, and whoever bought them, whether with gold or production, would have been obliged to pay full face value for them. Thus equipped this bill went forth to rob every American citizen and eventually turn the ownership of this nation into the hands of the English capitalists.

Such is the power of these few words when enacted into law. Thaddeus Stevens partially saw through the scheme, and he, with many others, protested against it when it came back to the House. How clearly Mr. Stevens comprehended the scheme may be gathered from his speech delivered upon that occasion, in which he said: "I HAVE A MELANCHOLY FOREBODING THAT WE ARE ABOUT TO CONSUMMATE A CUNNINGLY DEVISED SCHEME WHICH WILL BRING GREAT LOSS TO ALL CLASSES OF PEOPLE IN THIS UNION SAVE ONE" (THE WALL STREET NOTE SHAVERS). But the counsels of this wise man were not allowed to prevail. The bankers had their way and the bill was passed. We must now interpret the "Exception clause" in the light of what is now known of their diabolical plottings to make a debt out of the war. After the remarkable attempt of the banks of New York, Philadelphia and Boston to furnish the government with money to carry on the war they were obliged, December, 1861, to suspend specie payments; that is, they refused to redeem their own notes (bank bills) in gold. At that time statistics show that the bankers were in possession of 80 per cent of all the specie in the country; in other words, they had "a corner" on gold and by securing this discrimination against greenbacks by the means of the "Exception clause" they had made a market for their gold. Importers, who are usually Americans, were obliged to go to Wall street to buy gold to pay

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the duties on their imported goods, and the Wall street gamblers, having a corner on the gold, held the power to fix the price of it. These importers had nothing but greenbacks to buy gold with. Consequently as soon as the greenbacks began to circulate gold began to appreciate or went to a premium. Had the greenbacks been legalized with the full legal tender quality there would have been no need for gold to pay import duties and Wall street would have been powerless to advance its price. With this advantage, however, the price of gold rapidly rose and before the war closed had reached the enormous price of $2.85, measured in greenbacks. The gold bought in Wall street to pay import duties became the revenues of the government and was by it paid back to Wall street as interest on the public debt (the loan previously mentioned). These bankers by this legislation had secured an "endless chain," for as fast as they sold the gold it was returned back for interest on the public debt to be sold over again. Thus during the entire war these gold gamblers speculated in gold, making fortunes from the blood and tears of the American people.

How often these gold leeches upon the body politic declare in solemn tones that the "government cannot legislate men rich." But this experiment of our Uncle Samuel gives denial to this assertion, for this "cunningly devised scheme" put money into these men's pockets by the million and consequently took the same quantity out of other men's pockets just as rapidly.

The next political move in behalf of bankers and English money lords was the manufacture of bonds to redeem the "Exception clause" greenbacks or Treasury notes, and the same bill that authorized these, also authorized the issuing of $500,000,000 of bonds called the five-twenties, showing by this provision that it was intended to depreciate the "Exception clause" greenbacks. Another issue of $150,000,000 of the "Exception clause" greenbacks was authorized by the act of July 11, 1862.

Another issue of the same amount was authorized by the act of March 3, 1863, making in all $450,000,000 of the

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"Exception clause" greenbacks. These bore no interest. When these were exhausted and it was necessary to make more money the interests of the money gamblers demanded that Treasury notes should no longer be made in the form of DOLLARS but in the form of BONDS. The difference between these two forms of Treasury notes is that the bond draws interest, the dollar does not. Then were thrown into circulation some ten or twelve different forms of bonds buried beneath numericals, legalities, technicalities and rascalities purposely devised so that the common people might not comprehend what was being done. The point which must be continually pressed upon the attention of the reader is that if all the paper issued by the government had been issued in full legal tender dollars, without interest, like the first $60,000,000, there would have been no war debt and that this government had the RIGHT to make all its Treasury notes of this kind, and really it is self-evident that it had no moral right to make any other. Over two billions of these bonds and greenbacks were thrown into circulation by paying governmental and war expenses and circulated as currency during the war, doing the business of the country and bringing great relief to the debt-ridden classes by enabling them to pay off their debts of many years' standing.

It also gave great stimulus to business, preventing failures and farm foreclosures by providing an increase of money to meet the increase of DEBT GROWTH. (See table, page 44.) This increase also created rising prices and prosperity. Would that the Universal Fount of all Wisdom might vouchsafe to the American people sufficient intelligence to comprehend the great importance of these facts.

At the close of the war the London bankers and their Wall street agents are ready to spring the trap which they had for so many years been preparing for the unwary Americans. By the gambling speculations and manipulations of the Wall street bankers gold was now at the enormous premium of $2.85. Greenbacks were worth in gold $0.35 (thirty-five cents) on the dollar.

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The hour to stab the Republic had arrived. London was now ready to send gold into our country by the million for the purpose of buying up the "Exception clause" greenbacks, which when bought for thirty-five cents on the dollar could be presented to the government treasury and redeemed in United States bonds at face value, or one hundred cents on the dollar. In other words, the Republican party during the first four years of its power had so transformed our financial system that it was now the legalized privilege of every foreign lord, duke, prince and money monger of Europe to come into our country and buy up our money at thirty-five cents on the dollar and convert it into a bonded debt against us of one hundred cents on the dollar. Appalling crime! The like of which cannot be found in the annals of all history. A damnable scheme of human piracy and fraud against one of the bravest and most honorable people on earth. By these various schemes European capitalists were able to transpose our money into a bonded debt against us. This plot was made so plausible and the methods for carrying it out had such a semblance of fairness and honesty that the great mass of the American people believed the debt made by this infamous trick to be the legitimate results of the war. So firm was the conviction of the people that this was an honest and just debt that any person who should hint otherwise was branded as a repudiator and traitor.

Loud were the plaudits and exultations of the Republican party that their wise and patriotic statesmanship had so strengthened the credit of the government that it had brought in European capital! As if this were the greatest national achievement that an independent nation could effect. Delusion was at a premium. Common sense at a discount. They did not then know, neither can they now be taught, that foreign investments mean foreign absorption. That foreign capital invested in our country will end in conveying the ownership of our property into the hands of these foreign investors; and now to-day, although through the working of this law a large amount of the wealth of the nation has passed into the ownership of the

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European capitalist, yet the average Republican is so blinded by partisan prejudice that it is almost impossible to reach his ear or instruct his understanding, and he is out to-day shouting for "McKinley and prosperity" as oblivious of the awful crimes that his party politicians have enacted against the people as if he had all these years been an inhabitant of the moon.

If there are any who are unable from these deductions to grasp the idea that there was in fact no war debt let them turn back to 1865, when the war had closed and all the various forms of money and bonds made by the government were circulating and in the pockets of the people. Suppose the people themselves had said: "This money is rag money, valueless shinplasters that were only created to tide us over the rebellion. We now desire to return to a specie basis. We want an 'honest' dollar. We must have a 'sound currency.'" And thereupon had taken all the various bonds and greenback dollars in their possession and burned them up. Would there have been any war debt? Not one dollar! And would it not have been infinitely better for the people to have burned them than to have permitted them to be bought at half-price by English capitalists and converted into an interest-bearing debt, on which they have now paid twice their face value in interest and principal and still owe more than one-third of the original debt? If the people themselves had burned up the various forms of Treasury notes that were in circulation at the close of the war and which they had received in payment for their production and services their only loss would have been the face value of the money destroyed. But by the financial legislation of Congress it has cost the American people twice the original sum in interest and now after thirty years it will take more days' work measured in the price of the staple productions of the country to pay the remaining principal than it would to have paid the debt at first. Our progress is equal to the frog's, who in the bottom of the well jumped up two feet in the day and fell back three at night.

What man of common sense would not rather burn the

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money that he now owns than to sell it at half-price and then have it converted into a debt at its full face value on which he must pay interest for thirty or forty years? Returning to the days of gold appreciation and its power to destroy the Republic—it was known to the money power that Abraham Lincoln was unalterably opposed to the conversion of the greenbacks into bonds. Beloved and trusted by the people as he was, his opposition would have been sufficient to frustrate the schemes which had been so "generously planned." The life of no man, however grand and great, is of any importance when such vast interests are at stake. The assassin's bullet was in harmony with such diabolical plots. The people's friend, who was ever watching for the interests of the Republic, being removed, they hoped no further opposition would stand between them and their game. But another obstacle appeared upon the scene. Andrew Johnson said: "I know the policy of Abraham Lincoln and I shall pursue it." Impeachment papers were sworn out against him, but they failed in conviction. During his administration they were unable to accomplish their nefarious designs. But under Ulysses S. Grant, he being either willingly or ignorantly their tool, the work of despoiling the American people was begun in earnest. The $450,000,000 "Exception clause" greenbacks were converted into $1,640,000,000 of bonded indebtedness.

The government accomplished these bold exploitations by reissuing the greenbacks into circulation after they had been redeemed in bonds.

For instance, Rothschilds & Co. buy $100,000 of greenbacks for $40,000 in gold and present them to the United States Treasury for redemption in bonds at the face value of the greenbacks ($100,000). These greenbacks were not canceled by the government, but were again paid out into circulation, to be bought by the money speculators again and presented to the government a second time for redemption.

Four times over the "Exception clause" greenbacks were bought up at a greatly depreciated price and redeemed in bonds, creating a debt of $1,640,000,000!*

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When these greenbacks were bought once at a greatly depreciated price and transposed into a bonded debt a crime of unparallelled blackness had been committed against the people, but when this crime is repeated four times over the English language utterly fails to adequately express the infamy of its perpetrators. What, then, shall we say when these transactions are executed by a party whose rallying cry was "honesty" and "patriotism"? If these things are done in the green leaf what may we not expect to be done in the dry? This debt is just as honest as a debt would have been if it had been printed upon the soldier's gun "redeemable in United States bonds at cost value;" then when the war was over permitted foreigners to purchase them at one-third their value four times over, receiving each time a bond equal to their cost value. This is a precise parallel, for the gun was one factor which put down the rebellion and the greenback was another, and it was just as consistent with equity and justice that one should be transposed into a debt as the other.

This is the true history of the debt that capitalists would "see to it was made out of the war"—a "confidence" game and a scheme of fraud from beginning to finish, which has robbed the people of untold millions and covered the land with bonds and mortgages from east to west and from north to south and transferred the ownership of nearly half the nation into the hands of foreign capitalists.

Not satisfied with the infamous crime of making four dollars of debt out of each dollar of the greenbacks, they now come forward with the proposition that "every dollar must be made as good as every other dollar." (Really, it seems that a dollar that can be bought for thirty-five cents four times over, giving the buyer four dollars of interest-

*These transactions are recorded in an official document called the United States Loans from 1776 to 1880, prepared by Raphael A. Bayley by order of Secretary Windom and accepted by him. A few copies found their way into the hands of the people, but, like other information concerning that which the money mongers are doing in Washington, these books were withheld from circulation.

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bearing bonds for which he paid only $1.40, ought to be good enough to satisfy the greed of anyone.)

To accomplish this remarkable achievement they burn up $104,000,000 of greenbacks, leaving $346,000,000 of the "Exception clause" greenbacks to be redeemed again. They issue another hundred million bonds and send them to London to buy gold, which was at that time at a heavy premium. They bring the gold across the Atlantic and give notice that the Republican party has now made "every dollar as good as every other dollar." Resumption is an accomplished fact. One dollar in gold can redeem $3.46 in greenbacks. The people are informed that the subtreasury is located in New York city and any person having $50.00 in greenbacks can on presenting them to the subtreasury have them redeemed in gold!

The gold which the people were made to believe was in the subtreasury at New York is now known to have been deposited in two or three hundred favorite national banks, in various eastern cities, who loaned it to the people at the best rates they could secure. The people borrow money of foreigners and pay interest on it to deposit in national banks, who loan it back to these same people at the highest rates obtainable.

Interest on these bonds has now exceeded $60,000,000, which has wrongfully been taken from the people, all for the benefit of national bankers. No wonder that they assert that it takes the wisest of men to understand finance. Good farmers, stay at home and take care of your pork barrels while the honest bankers look after the profits that arise from the sales thereof. No matter, dear friends, if you live in huts and hovels while your exploiters live in palaces and mansions. Legislation cannot make a man rich. Oh, no! But it can make and has made a whole nation poor.

But the end of this story of crime has not yet been reached. Through the power of interest on the bonds the national bankers long ago became the absolute owners of the $346,000,000 of greenbacks which was thrown into

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circulation by our government in payment for services without debt. These bankers, under the administration of Grover Cleveland, took advantage of the Republican Resumption Act of 1875 and presented these same greenbacks which have been redeemed by this government four times over in bonds to be redeemed again in gold. As they were presented to the Treasurer he was forced to pay out the gold in the Treasury; this depleted the hundred million reserve. Then Mr. Cleveland, with all the dignity which naturally belongs to three hundred pounds avoirdupois, informs the country that more bonds must be issued to replenish the Treasury. And, as in the days of Ulysses S. Grant, these greenbacks are not canceled,* but are again reissued by the government, which again soon reach the hands of the bankers through the channels of trade, who present them again for redemption in gold. By this method $262,000,000 more bonds have been placed upon the country with these greenbacks, and the end is not yet, for at this date (March, 1898) the great financiers (God save the mark) of the country are now plotting to turn the whole sum ($346,000,000) once more into bonds. Watch the proceedings of Congress. This resumption act is a snare by which bankers can, if not arrested, bond away every home in the land; and as the primary or first ownership of gold and silver lies in London these London sharks can become absolute owners of all the property of Americans. It is only a matter of time when it will be announced that America is bankrupt, when British warships will be sent here to collect rents and interest, as they were sent to Egypt a few years ago. This nefarious mechanism is the work of Republican legislation and no blame should be attached to private individuals for their poverty. It cannot be believed that any intelligent Republican can be found in the country who would for one moment concede that all this mechanism of evil has been legalized through ignorance. This would be a travesty on common sense. Shortly before the death of Indiana's great

*For proof read the speech of Secretary Carlisle before the Boston Reform club, October, 1895.

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war Governor—Oliver P. Morton—in a speech in the Senate he said: "There has been a gang of pirates thundering at the doors of this capitol until they have driven this government into the most preposterous acts of bad faith and legalized robbery ever perpetrated against a free people." We think he knew what he was saying.

We have now clearly traced the legislation which created $1,640,000,000 of the war debt, to which must now be added the $262,000,000 made by the government redeeming the greenbacks in gold during the administration of Grover Cleveland, all of which was wholly and teetotally unnecessary and a diabolical fraud from beginning to end. The other $1,200,000,000 of the war debt was made by the government issuing bonds when it had the right and the power to have issued dollars. It cannot be too often repeated that all independent governments have the inalienable right not only in times of war but in times of peace also to issue in sufficient quantity that medium called the dollar, which is necessary to do all the business, on a cash basis, which the people desire to do. In other words, a nation of people have the right to create their own power of exchange. Failing to do this, they are no longer a sovereign people, but are tributary to that nation of whom they borrow this important function.

What are these treasury notes called greenbacks but checks upon the productions and services of the people of the United States? A great work was to be performed, a war was to be waged. The Union was to be preserved. A portion of the people must be employed to do the fighting; the other portion, who stayed at home, must provide the food, clothing, arms and pay for those who were delegated to do the fighting.

These treasury notes were checks drawn upon the productions of those people who stayed at home for the support of those people who were delegated to do the fighting. Nothing more and nothing less. When this work was done it was just as efficiently and successfully done as if these checks had been stamped upon the most costly material,

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and there was no just reason why they should have been converted into a bonded debt, only that the idle few might live in luxury upon the toil of the laborers.

Another great work of vast importance is to-day needing to be done. This work is the Nicaragua canal. Labor must perform this work. In order to do it some of the people must go to Nicaragua and dig the canal while the people who stay at home must furnish tools, feed, clothe and pay them. There are thousands of wretched, unemployed men who would gladly do the work. These idle men must be supported in their idleness, which costs nearly as much as to support them at work. Checks drawn upon the productions of those who stay at home would feed, clothe and pay them, and if the checks were drawn by the government in the form of non-interest bearing treasury notes like the old demand notes this work could be done in two years' time without debt, without bonds and without interest, and when completed would be a source of revenue to the government and a blessing to the world. Under the bankers' bond system the people will do the work, feed and clothe themselves and then owe capitalists millions of dollars on which they will pay interest for a hundred years, all for the privilege of doing the work themselves.

In the name of common sense, why may we not use greenbacks to promote the arts of peace, as well as the arts of war? If greenbacks could pay men for using guns why may they not as well be used to pay men for using picks and spades or any other tool?

Whenever a government issues bonds making them payable in legal tender money this presupposes that it has the right to make the legal tender to pay off the bonds. If not the government is binding the people to an impossible contract, which is an odious crime. Now, if the government has the right to make the legal tender after the bond has been created it has the right to make the legal tender before the contract of the bond and thus obviate the necessity for the bond altogether. Do you see?

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"The bonds must be used as a banking basis," says the Hazzard circular. "We are now waiting for the Secretary to make this recommendation." In due time the Secretary's recommendation was made and as early in the war as 1863 Congress passed the National Banking Act, at a time when the eyes of the whole nation were turned upon the fields of battle and every thought was absorbed in the great struggle for national existence. In an unguarded hour Gen. Jackson's "lioness and her whelps" had returned from the "jungles." "My agency in procuring the National Bank Act was the greatest financial mistake of my life. It has built up a monopoly that affects every interest in the country. It should be repealed. But before this can be accomplished the people will be arrayed on one side and the banks on the other in such a contest as we have never seen in this country," was the sad comment of Salmon P. Chase at the close of his life. By this act five men who were able to purchase $50,000 worth of United States bonds or greenbacks, which were convertible into bonds, could form a banking corporation and establish a National bank. The word "National" is used deceptively, as these banks are in every sense private institutions. The extraordinary powers and paternal privileges granted by this act to those men who owned 80 per cent of all the gold and silver in the country has never been fully appreciated by the masses of the people.

To the man who possessed $35,000 in gold was given the privilege (during the days of greenback depreciation) of buying $100,000 of greenbacks, which after incorporating he could present to the United States Treasury and receive for them $100,000 of United States bonds. These bonds were taken to another department of the Treasury and there deposited and 90 per cent of their face value, or $90,000, minus a tax of 1 per cent, given him in National bank notes. By these manipulations, costing him not an hour's honest toil, he has been able to convert his $35,000 of taxable gold into $190,000 of non-taxable interest-bearing capital. The government has actually made him a present of $154,100 and guaranteed him interest and protection without taxation.

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And yet we are soberly told that "Legislation cannot make a man rich"! Just quietly think this over, my poor old farmer friends, you who do not see a paltry quarter in a month. And while you are thinking just suppose that the laws were so framed that any farmer having a farm worth $35,000 could deposit his deed with the government and receive $100,000 of United States bonds, then deposit the bonds and receive $90,000 of National money to loan out to his neighbors. Would not our saintly bankers cry "Paternalism, paternalism"? But why should property gold stand in higher favor with our government than property land or property wheat? Why should the banker be the only person in the community privileged to monetize his product gold, while all other classes of production are denied this right?

These were the possibilities of the National banking system in those days when the "best banking system the world ever saw" was inaugurated, and stupid must have been the men who failed in living up to the privileges, which they had so "generously planned" and secured the legislation for. In these days of depreciated greenbacks reports were rife through the country that men in Wall street were making a million dollars in a week. These were the days when $450,000,000 greenbacks were converted into $1,640,550,000 of bonded indebtedness against the people. And the men who perpetrated these foul deeds are now shouting "honest dollars;" having bought bonds with 40-cent dollars they would now compel the people to pay them in 200-cent dollars. By this time our laboring friends must be able to perceive that the National banking system is a splendid success in making men rich through legislation.

The sole business of these bankers is to create debts and then, as far as possible, destroy the power of the debtor to pay the debt, thereby enabling themselves to obtain possession of the debtor's property put up for the security of the loan. What other inference can be drawn, when at their dictation money is burned by the million, and millions more demonetized, when dollars are turned into bonds and debts

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are made by law? It is a cold-blooded, heartless business and must be absolutely blotted out of existence before any permanent prosperity can ever come to the people of the United States.

Before money can be earned it must be made. Who but the government has the right to make it? Bankers are individuals, and if this prerogative is granted to them all other individuals must have the right also, else we are protecting privileged classes. Americans must soon decide this important question as to who shall have the right to make money.

*On page 17 it has been clearly demonstrated that bonds are instruments which can be employed to transfer individual debts to the collectivity; and TAXATION is the secret hand which transfers debts from the collectivity to the individual.

This subject is not completed until we examine the methods by which this gigantic war debt of $2,800,000,000 and its annual interest of $168,000,000 has been transferred to the homes of the people by mortgages and to the cities, counties, States and school districts by bonds. All voters ought to know, but it is feared that they do not, that the revenues for conducting the government are raised by an indirect tax called tariff to hide the fact.

As soon as the war debt was securely fastened upon the Republic there was added to the normal expenses of the government the burden of raising $168,000,000 to pay the annual interest on the bonds. This could only be raised by taxation, either direct or indirect. If the people were taxed directly they would be made aware of what vast sums they were paying, and would be likely to rebel against such impositions. This being true in all countries, the thieves and plunderers of the people long ago learned the art of taxing them on the blind side by such methods (tariffs) as hide from them the amount they are paying. To justify and at

*If the reader will please refer to the table on page 44 showing the increase and decrease of money he will see that but one year since the war has the increase of money exceeded the interest on the war debt ($168,000,000).

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the same time conceal this unholy robbery they rally their forces of deluded partisans under the banner of "Protection to American labor" and levy a high protective tariff upon over nine hundred different articles of foreign importation, ranging from 25 to 300 per cent and averaging about 45 per cent on the dollar, and then go before the people with the specious argument that the foreigner paid it in order to get into our markets. This was very thin logic, but men who allow partisan prejudice to control their intellect can be deluded with the thinnest kind of falsehoods. Such people never think beyond the last sentence uttered by their party boss. If it were true that the foreigner paid our taxes for getting into our markets then it would certainly be just as true that we must pay the foreigner's taxes for getting into his market. And as we are a largely exporting nation and as their tariffs are in many instances higher than ours, the foreigner must be getting the best of us. Notwithstanding the transparency of this fallacy, it took well with the multitude, who shouted themselves hoarse over the prosperity they enjoyed under the blessings of high taxation. This tax was levied, so far as possible, upon the same kind of goods as we manufacture in this country, thus killing two birds with one stone—namely, securing taxes to pay government expenses and interest on bonds and enhancing the prices of American products, thereby enriching the American manufacturers.

By these means the prices of both foreign and domestic goods were increased out of proportion to American farm goods, which are mostly raw material, such as wheat, corn, pork and cotton, the prices of which cannot be increased to any appreciable extent by tariff laws, because we as a nation are not producing raw material in competition with foreign nations in our own market. That is, the raw material of other nations in these great staples is not shipped into this country to any considerable extent.

To illustrate the working of the tariff principle and convince the masses that they themselves pay the tariff and receive little or no protection from it, the reader's attention

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will be directed to the following bit of municipal legislation:

There was once an Eastern city which was in its earlier days what in the far West would be termed a "boom city." It was located in a level region of country, where there was no stone and but very little lumber, but an abundance of excellent brick clay. The rapid growth of this city made a great demand for brick and a large number of brick yards were established in the adjacent country just outside the corporate limits. As is usual in such cases, the city had incorporated more territory than was needed for building purposes, so that there were many lots of five and ten acres inside the corporate limits owned by speculators and which were not platted into streets. The owners of these lots frequently established a brick yard upon these vacant lands. As has been before mentioned, this city was located in a level tract of country and the brick manufacturers were able to haul a thousand brick at once, making a very heavy load, and as there was no stone for paving, the streets were very badly cut up by these heavy wagons, especially in rainy weather. The people did not take kindly to this, for it both destroyed their comfort in pleasure riding and frequently forced them to the expense of regraveling their streets. They therefore conceived the plan of levying a tax upon all heavily loaded country wagons coming into the city for the purpose of making those who damaged the streets foot the bill of repairing them. The city council was called together and voted to levy a tax upon all country wagons heavily loaded. For convenience we will call this tax one dollar. Toll gates were erected on all the roads leading into the city and officers placed in keeping. On the morning the ordinance went into effect the brick manufacturers, with their loads of brick, were confronted at the toll gates with the demand for a dollar and the reasons for this demand explained. These men had been making brick for five dollars per thousand, which was the least sum for which they could be made and delivered. Therefore if these countrymen continued in business they would be com-

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pelled in some way to recoup themselves for this extra dollar of expense. These men were no dullards and little knots of them were seen at various points in earnest consultation, devising plans of retaliation. They were not long in agreeing to advance the price of their brick to six dollars per thousand and refused to deliver a load for less.

Contractors and builders were obliged to continue their work of building, and were forced to pay their price. The reader will readily perceive that this very wise city had not succeeded in making the country fellow pay its taxes; but it had succeeded in levying the tax upon the men who bought brick. Meanwhile what of the men who made brick inside the city limit, and who did not have to pass through the toll gate? Why, they just said, "Our brick are six dollars, too," and slipped the extra dollar down into their pockets without once offering to advance the wages of their employees. Now, this very wise city had not only succeeded in levying a very unjust tax upon a portion of its citizens, but it had also succeeded in enriching some of its citizens at the expense of the others. It is needless to add that the brick manufacturers inside the city limits adored the system. Now, if the reader will imagine the boundary lines of this city to be the boundary lines of the United States and the various brick manufacturers outside the city the manufacturers of the nine hundred different articles of foreign importation, and the city brick yards the home manufacturers, he will have the tariff question in a nutshell. The very fact that the price of any article of foreign importation is higher here than its price in the country where it was manufactured, plus transportation, ought to convince the most stupid thinker that the tariff is a tax and the consumer pays it. The enormous increase of tariff taxation in the early years of the Republican administration was made necessary in order to pay interest on the war debt, and was levied for the "protection" of the European bondholders in their schemes of exploitation against the people of the United States. This is the real animus of the whole matter.

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Now, where stood the American farmer? Between two fires. If he bought foreign goods he paid 47 cents (McKinley bill) tax on every dollar's worth which he bought. If he bought domestic goods he paid about the same amount as bonus to the home manufacturer, the price of his own goods being unprotected, for no tariff can enhance the price of goods which are not in competition with foreign goods in the home market. We produce wheat, corn, beef, pork, cotton and many other articles in excess of our own consumption and the surplus of these products are shipped out of the country and their price is governed by the London or Liverpool market. Consequently a tariff of a dollar a pound would not elevate their price. Under a constantly decreasing volume of money the farmer's prices continually fell, while the price of the manufactured goods which he purchased always remained at the per cent of the tariff, plus the transportation, higher than his own. Suppose, for instance, that the unprotected price of one yard of American cloth is $1.00 when wheat is $1.00 per bushel. If the volume of money is decreased one-half or the amount of production is doubled without changing the volume of money then the normal price of both wheat and cloth would be 50 cents. But if the cloth is protected by a tariff of 50 cents per yard and the transportation from Europe is two cents per yard for same quality, then, though the farmer's wheat has fallen to fifty cents per bushel, he would still have to pay $1.02 for his cloth, which is an unjust discrimination against the farmer and governmental paternalism in favor of the manufacturer of cloth.

The farmers, thus burdened by a tax of 47 per cent (McKinley bill) on foreign goods and a bonus nearly equal to the tariff on home products, were forced to surrender nearly one-half of their production, for which they received no equivalent. One-half of the other half went to the bankers, so that of the products of their labor they could only keep about one-fourth for their own use. The rest has been tribute to our social parasites, who wax rich and grow great under our splendid system of American "protection."

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Under these conditions of robbery the farmers have been unable to make both ends meet, and so year by year they have been forced to mortgage their homes, and the tariff is the chain (tax) which has transferred the debt, created by the interest on the war debt, and also that part of the principal of the war debt which has professedly been paid off, to the homes of the people. In other words, the DEBT GROWTH of this war debt has been transferred from the collectivity to the individual. Before we could pay the United States bonds or the interest on them we have been obliged to mortgage our homes and have been made to believe that these mortgages were due to our own extravagance and bad management. Our case is still worse, for the interest on the war debt ($168,000,000) was largely paid to European capitalists. This heavy draft upon our money volume soon transferred the primary ownership of it out of the country and conferred it upon foreigners, since which time the people have been forced, whenever they have desired to perform public work, to bond their cities, counties, States and even their school districts to national bankers and foreign capitalists. After money has been brought back to America by borrowing it from foreigners the secondary ownership of it (for the dollar has many owners, but it can have but one possessor) passes into the hands of the national bankers, who loan it over. This is known by the reports of the Comptroller of the Currency, who reports the banks as loaning more money than the Director of the mint reports in the country. No nation can be said to own its money volume, primarily, when it owes to foreign nations $8,000,000,000 and its money volume is scarcely $2,000,000,000. Thus it will be seen that neither the interest on the war debt nor any part of the principal itself has ever yet been paid, but it has been transferred to our homes by mortgages and to our cities, counties and States by bonds until forty billion dollars of debt, with all its mighty power to absorb the wealth of the producers, overshadows all the land with a pall of darkness.

Under its burden millions are bowed to the earth with

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galling, unrelenting toil and deprivation, and thousands sink to an untimely grave.

Having converted our paper money into bonds four times over and "made" the debt, they now bend all their energies to perpetuate this yoke of bondage that they and their heirs may live forever upon the labor of the American people; or, what would be still better, by destroying our power to pay the debt they may foreclose our lands and industries and thus not only extort tribute from us in the form of interest on our bonds but rents and profits on our lands and industries also. In 1873 a secret emissary of these foreign "capitalists" enters our halls of legislation and through bribery secures the assistance of some Judas John, and silver—the money of the people, the money of our fathers, the money of our constitution, the money we pledged in payment of our bonds—is denied the right of coinage! Prior to 1873 no person, no paper, no pulpit, no politician, either in congress or out of it, and no party had, either in private or public, demanded this legislation, and the act was nothing less than high treason against the State.

For a quarter of a century the people of all parties, through their papers, through their county, State and National conventions, through their petitions, through the platforms of every party, aye, through their tears, their misery and their destitution, have upon all occasions, in season and out, demanded the restoration of their money, and still the "secret power behind the throne" throttles every effort and bids defiance to every demand.

What motive lies behind this secret act of treachery? A brief survey of conditions in England will quite sufficiently explain the mystery.

The lands of England, which is scarcely larger than the State of Illinois, have through her infamous banking and loan laws been concentrated into the ownership of a few—said to be less than twenty thousand, while her estimated population is over thirty-five million. These lands are largely devoted to pleasure grounds and hunting parks for the titled nobility. This forces the great mass of English

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people into the mines and factories to obtain their support. England then becomes a great manufacturing country without being able to produce her raw material or feed her people. Wheat, cotton, beef, pork, wool, and many other productions must be purchased from other nations. Her imports over her exports are more than $600,000,000 worth every year. Her interests demand that she should buy in a cheap market. What market in all the world so rich in cotton, wheat, beef and farm products as the United States? But, alas, they were not cheap. The price of labor in America was a barrier to her success. The wages of the American workman must be controlled by "controlling the volume of money." For a hundred years her economists had been teaching that the volume of money governed the price of commodities. That if the volume of money in a country be reduced one-half the price of commodities would be correspondingly decreased.

Here, then, was her golden opportunity. Destroy the silver of America and a cheap market would be secured where she could buy at her own price. Again, she needed silver to trade with her East Indian subjects. This silver she must buy because she has no mines of her own. "Cheap silver" will promote her commercial interests also. So long as the American can take his silver to the United States mint and have one ounce coined into $1.29 he will not sell it to England for 60 cents.

Here, then, we find four powerful motives which would influence England in securing the demonetization of our silver.

First—She could obtain cheap food for her people and cheap raw material for her factories.

Second—She could obtain cheap silver.

Third—She could perpetuate the bond system and compel Americans to pay her tribute to the tune of several hundred millions a year, with which she can pay for her imports.

Fourth—She can finally obtain possession of our lands

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and industries, thus bringing America under complete subjugation and reducing her people to industrial slavery.

Thus step by step this Titanic power of evil (debt) has been traced along an unexplored and pathless region. The power which one nation has to absorb the wealth and earnings of another is clearly demonstrated, and the laws by which it can be accomplished are so minutely described and illustrated that it is hoped the intelligence of the most ordinary reader will be able to grasp the situation in the United States of America. The relations of debt produced by the use of metallic money and the usury (interest) upon it to the poverty and misery of the people, like the trail of the serpent,* are so subtle, so sinuous, so silent and so unobserved in their operations that history records few examples of men keen enough of discernment to have observed them, much less to have comprehended their importance. Nehemiah, Solon and Mohammed by their laws gave evidence of having some knowledge of the evil effects of usury upon the people. Moses showed the greatest insight of all, for he said: "Thou mayest loan to many nations, but thou shalt not borrow." So far as we now know, none of these ever gave a minute and philosophical analysis of these described deviations, which might serve as a beacon light forever to all the generations of men. Prophets, poets, popes and preachers all alike denounce the (d)evil, but little do they understand that ancient people symbolized the evil power of debt created by the use of metallic money by the serpent which later on became Satan the devil, who goeth about like a roaring lion seeking whom he may devour. (A very good symbol of the English government.) The greatest hell he has ever been able to create is within the territory of that nation on whose people rests the burden of forty billion dollars of debt. If this is doubted spare a few moments more in reviewing the conditions of this country as they exist in the closing years of the nineteenth century, after thirty years of boasted Republican prosperity.

*Ancient symbol of the money power.

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In reality thirty years of devastation and robbery produced by the increase laid upon a debt of $2,800,000,000, together with the increase on the volume of money used in transacting business, which has varied from about eight hundred million to something over two billion dollars and been literally owned by national banks. This increase in the near future must foreclose the entire country and turn the ownership of it into the hands of European investors, who will hold us as vassals and slaves amidst the wealth we ourselves have created.

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CHAPTER IV.

A REVIEW OF OUR CONDITIONS.

Wealth of the United States.....	$62,000,000,000
Upon this wealth is a bonded and mortgaged indebtedness of over.....	40,000,000,000
The annual increase by interest cannot be much less than.....	3,000,000,000

As money loaners do not loan more than two-thirds the value of property it will easily be seen why money lies idle in the banks and must continue to lie there, notwithstanding the shouts of returning "prosperity." This narrow margin of available security, on which loans are made, continually decreases by the growth of debt and money becomes scarcer and scarcer, or, as we say, the "times get harder and harder."

Considering the interest on this mighty debt to be six per cent, then we, the highly prosperous people, pay annually..	$2,400,000,000
An annual tax on every man, woman and child in the nation of.....	$34.30
Or on every family of five persons.....	$171.50

The laboring people pay it all, even though they do not know the methods by which it is accomplished.

$8,000,000,000 of foreign bonded indebtedness on which we pay to titled nobility of foreign countries the annual sum in interest of.....	$320,000,000

This indicates a very high degree of prosperity for the lords and dukes and noble princes who hold these paper titles to our property.

The fathers of this Republic fought seven long years to free us, their children, from the yoke of foreign bondage, their slogan being "millions for defense but not one cent for tribute." But then they were only benighted dema-

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gogues who did not know anything of "business interests" and "vested rights" and never dreamed of that blessed prosperity that would come to their children through the use of foreign capital. The high honor was left to the Republican party to teach us that a national debt owed to England is a national blessing.

Nine million mortgages! These, said the Hon. Joseph M. Walker of Massachusetts and the Hon. Senator Mitchell of Oregon, are evidences of prosperity and a high degree of Christian civilization!

Thirty thousand people own..... $35,000,000,000

Or one-half the wealth of the nation.

This, said Senator Ingalls, is the most appalling statement that ever fell on mortal ears. Fifty million people who virtually own no home, either having to pay rent or interest. No man is a free, independent citizen who does not own his own home, paying no one for the privilege of living.

Three million unemployed men, or nearly one-fourth of the voting population. Many of these men sleep in barns, box cars, haystacks, fence corners and station houses, on stone floors, without pillows, blankets or fire. This is another evidence of our high degree of Christian civilization.

One million two hundred thousand child laborers below sixteen years of age working long hours in factories and sweat shops. Denied the inalienable rights of childhood—intellectual, moral and physical culture. Denied God's free air and life-giving sunshine. Denied the song of birds and the sweet fragrance of grass and flowers. These children are imprisoned in dark, dingy dungeons and chained to great noisy, pitiless machines that whirl and whirl forever, of which they are almost as much a part as the cogs and belts and wheels, and fall early victims to disease and premature death.

Two hundred thousand women working in sweatshops sixteen hours per day at wages so reduced that they must either sell their bodies or starve. Many have been found

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sleeping in seaweeds and rags as their only beds and cutting up raw potatoes to feed their famishing children.

Three hundred men at Spring Valley, Ill., offering themselves into life slavery for food, clothing and shelter. A Chicago paper stated last week that these men are now slowly starving to death.

Two hundred and forty thousand saloons. The more idleness the more saloons are needed for men to loaf and gamble in. From these stygian cesspools of death and debauchery over one hundred thousand drunkards die annually.

Twenty-three thousand men, women and children killed and mangled annually on the railroads for the want of proper safeguards.

Ten thousand five hundred murders in 1896, a gain of one thousand per cent in the last ten years. Population gains only one hundred per cent in twenty-five years. Seven thousand suicides last year, and these increasing at a rapid rate.

Thirty-five thousand little children dying annually from starvation and the want of proper care.

All these last-named items are prosperous windfalls for coffin trusts, who sell coffins costing $10.00 for $75.00.

Two hundred and sixty thousand great financial failures in the last thirty-five years of "Republican prosperity" above three thousand dollars, involving a loss or repudiation of three billion dollars—admitting that every debtor has paid 50 cents on the dollar.

One million failures of men for less than three thousand dollars, such as the small grocery, restaurant, hotel, variety store, etc.

Bank embezzlements and failures for 1896, $25,000,000. If each of the last thirty years had been equally prolific $750,000,000 has been stolen from the people by this means.

The foreclosure of not less than 25 per cent of the farms and the homes of the people. Unfortunately we have no statistics of these last-named items, but we know that the amount is very large.

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Two hundred and ten million acres of the public lands granted to railroad corporations. This would give seventy acres to each of the three million unemployed men, which would make every one of them and their families comfortable, intelligent and self-respecting citizens instead of the menial, degraded and demoralized slaves they are to-day. The largest part of these railroad lands are virtually in the hands of European capitalists, and include an area equal in extent to England, Scotland, Ireland, Denmark, Sweden, Germany and France.

Americans, are you aware that an American citizen cannot ride upon his own railroad, built by his own hands, with his own material, on his own soil, without paying tribute to foreign money gamblers? "Yes," said a British banker, "you Americans have built your railroads but we own them!"

Free-born citizens of America, you who stand upon the street corners with your hands in your empty pockets looking the very picture of despair and despondency, read the following list of British alien landlords and their ownings in America:

	Acres.
English Syndicate No. 3, in Texas	3,000,000
Marquis of Tweedale	1,750,000
The Holland Land company, in New Mexico	4,500,000
Sir Edward Reid and a Syndicate, in Florida	2,000,000
English Syndicate, in Mississippi	1,800,000
Lord Scully of England, in Illinois	3,000,000
Phillips Marsnall & Co	1,300,000
Anglo-American Syndicate, Mr. Rogers of London president	750,000
Byron H. Evans of London, in Mississippi	700,000
Duke of Sutherland	425,000
British Land company, in Kansas	320,000
William Whalley, M. P., Peterboro, Eng	310,000
Missouri Land company, Edinburgh, Scotland	300,000
Robert Tennant of London	230,000
Dundee Land company, Scotland	247,000

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Lord Dunmore	120,000
Benjamin Newgas, Liverpool	100,000
Lord Houghton, in Florida	60,000
Lord Dunraven, in Colorado	60,000
English Land company, in Florida	50,000
English Land company, in Arkansas	50,000
Alexander Grant of London, in Kansas	35,000
English Syndicate, represented by Close Bros., in Wisconsin	110,000
Mr. Ellenhauser of Halifax, N. S., in Virginia	600,000
A Scotch Syndicate, in Florida	500,000
A. Boysen, Danish consul, in Wisconsin	50,000
Missouri Land company of Edinburgh, Scotland	165,000

Then there are eighteen real live British lords and one "lady" who own one million and a half acres in America, or on an average seventy thousand acres each!

While freeborn citizens tramp the streets and beg for bread!

*Let us see how protection does protect (?) our industries.

Sixty per cent of the stocks and bonds of the vast Pennsylvania railroad system is said to be owned in Europe.

Nearly all the Illinois Central railroad, extending from Chicago to New Orleans, together with the great city properties, branches and laterals, is owned in Holland.

Great ownership in the immense properties of the New York Central Railroad company and all its vast railroad connections is held in Europe.

A controlling interest in the Great Northern railroad, running from Lake Superior to the Pacific ocean, is owned in England.

A controlling interest in the Northern Pacific, lying south of and as extensive as the last named, is owned in Germany.

Large, if not controlling, interests in every other important railroad in the United States are owned by European investors.

*Anson Wolcott's memorial to Congress.

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The immense Carnegie iron works at Homestead, in Pennsylvania, are owned principally in Scotland.

The controlling interest in the famed Pillsbury flouring mills at Minneapolis, the largest in the world, is owned in England.

The great iron mines of the Lake Superior region, said to produce 10,000,000 tons of iron ore in a year, are largely held by English investors.

A controlling interest in the Grant smelters in Denver and Omaha, the largest in the world, owned by Englishmen.

The largest bankers of New York are foreigners or representatives of foreign banking houses. These are the great gold shippers.

Foreigners own immense interests in the breweries of the country, largely if not controllingly.

A large per cent of our fire and marine insurance is in foreign insurance companies.

Five-sixths of all the freightage of our foreign commerce is carried in foreign vessels.

Foreigners own millions of acres of our farm and timber lands.

They own many millions of dollars in value of our city properties.

Their mortgage loans overspread the face of the whole country.

Foreign capitalists own hundreds of millions of United States bonds and State bonds; and they own untold millions of city bonds and other municipal obligations in the United States and vast properties not here specially stated.

So great has become the aggregate of all these ownerships in United States properties by foreigners living in foreign countries that the aggregate cannot be less than from $7,000,000,000 to $8,000,000,000, with an average of earnings of not less than five per cent per annum.

The aggregate of all these European dues on investments in this country and expenditures by our tourist classes may with fairness and moderation be placed at $400,000,000

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each year. This is Europe's annual money demand upon the United States to be paid in gold, or gold values. Failing in this, then our securities are foreclosed.

This is the harvest of thirty years of Republican policy. These are the bitter fruits of a three-billion-dollar war debt, a gold standard, the national banking system and a high protective tariff, all of which are due to the gold superstition.

Forty billion dollars debt.

Nine million mortgages.

Three million unemployed men.

Litigation, intemperance, prostitution, incendiarism, burglary, bribery, embezzlement, suicide and murder all increasing at a frightful rapidity. So great is the increase of crime that the National Prison Association, which has just closed its annual conference, calls attention to its alarming increase and advises the most radical and drastic measures for its suppression. Alas! no punishment can suppress the inrushing tide of crime until its cause is removed.

Oh! Delusion run mad, thy name is gold standard! Has reason been dethroned? Has God forgotten the world?

Oh! that men would seek knowledge and search out understanding.

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CHAPTER V.

THE BETTER WAY.

A thousand leagues from the island described in the second chapter lay, in the soft embrace of the peaceful Pacific, a charming spot which had until the year of 1747 been unknown to civilized men. Here a part of a ship's crew were discharged for mutiny and left upon the island to survive as best they might. Like those on Island No. 1, they were forced to rely upon themselves and the resources of the island for their support. After long and earnest consultation they agreed to co-operate with each other through the division of labor. They divided the land equally; provided methods for communicating with each other; established a system of transportation; and agreed that gold and silver should be the money of the realm. Although this lovely island produced everything needed to sustain the life and beautify the homes of these people, there was nowhere to be found one grain of these "precious" metals. Large numbers of men left the more important work of producing needful things and went in quest of what they believed to be the most valuable of all products. Many weeks and months, even years, were spent in a fruitless search. Mountains were tunneled, shafts were sunk deep into the earth and rivers turned, but every effort proved futile. This misspent time created a great amount of want and poverty among them. At last they lost hope and thought to die even in the midst of plenty. "Necessity," which is the "mother of invention," finally came to their rescue and enabled them to overcome their most serious difficulties. They were a simple-minded people, and their methods would be regarded in this enlightened day as crude and impracticable. The first point they were called upon to determine was the establishment of a standard of measurement for measuring the values of production. They rea-

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soned, and reasoned rightly, that all the various productions which were needful for the support of life were the result of labor, and as we desire to exchange these products with each other on a basis of justice we must, since we have no gold with which to measure these created values, find some unit of expression by the means of which we can estimate the value or cost of production. Since value is intangible, having no substance, it cannot be measured with yardsticks or bushel baskets. Knowing that all things which support life are obtained by labor and that this labor requires time for its performance we may, therefore, give expression to the idea of the cost of any article. We will call one day's labor worth one dollar and measure the cost of every article by the time required to produce it. Each article costing one day's labor was said to be worth one dollar, an article costing two days' labor was worth two dollars and so on. The time cost was in all cases made the exchange value of the product. In this they builded better than they knew. The second important step was the building of government warehouses for the protection of all their various productions, and beside these warehouses were erected National subtreasuries, which furnished checks upon all the productions in the warehouses much as the National banks furnish checks on gold—with this exception, that checks on gold are limited in quantity, while these checks were limited only by the limitation of the productions on the island.

The only difficulty experienced was the settlement of prices; but this was overcome by commissioners and arbitrations and careful investigations. A correct account of the number of days' work which it took to produce an article was soon determined with sufficient accuracy to insure a good degree of justice.

Prices were thus established upon everything produced upon the island, and the islanders were ready to put their system into operation. First the farmers brought their wheat, which had a scheduled price of one dollar per bushel, because it was found that on the general average it required

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one day's work to produce a bushel. The surplus was 1,000 bushels and for it the farmers received $1,000. The producers of rice deposited rice which had cost 1,000 days' work and received $1,000. The producers of cotton expended 1,000 days' work in producing cotton and when it was deposited in the warehouse they received $1,000 for it. The sugar producers spent 500 days in producing 5,000 pounds of sugar and received $500, and so on through the entire list of productions. The one hundred men and women had each worked 300 days in the year. Altogether they had worked 30,000 days and the production of these days' work was stored in various departments of their common warehouses and they had $30,000 with which they could go to their storehouse and take off every dollar's worth there. To obtain these goods it was necessary to return the dollars or checks which have been paid out for them. The farmers had received $1,000 for their wheat, which was the value of the time that they had expended in producing it. For these $1,000 they could secure 1,000 days' work expended by other members of the community in producing rice, cotton, wool, sugar, shoes, coats, hats, books, etc., etc.

There were $30,000 worth of goods on the market and there were $30,000 in the hands of the men who produced these goods with which to take the goods out of their storehouses. As fast as these goods were appropriated for the use of those who created them the dollars were returned to the subtreasuries to be paid out again as soon as there was any production to be placed upon the market. Neither was the number of dollars limited to any fixed number, but the subtreasuries were supplied with a sufficient number, much as the postoffices are supplied with postage stamps, so that there was always enough to purchase at a fixed price all the productions that were produced or manufactured. These islanders had, without comprehending the absolute foolishness of their plan, established a system which secured entire certainty of business. There was never a failure, for there was never a debt. No money was ever borrowed except occasionally as one housewife borrows from another a cup of

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coffee. There was, consequently, no DEBT GROWTH nor concentration of wealth. There were no failures, no foreclosures, no mortgages, no bonds, no interest, no panics, no stagnation of business, no sheriff's sales, no bank failures, no robbery of depositors, no unemployed men, no child laborers, but every man and his family were in comfortable circumstances and each year found him still more so, for the reason that when he parted with his 300 days' work he received full "protection" in the government check (legal-tender dollars) which entitled him to 300 days' toil in some other form of production. Year by year these islanders went on gaining in wealth, comfort and knowledge, finally reaching a point where by their inventions of machinery they were able to supply all their physical wants by working four hours a day. The remainder of their time was spent in scientific investigation, art, literature, music, painting, athletic games and social recreation, according to the tastes of each individual.

Of course these islanders were very simple-minded, foolish people, and could never be made to understand the glories of modern commercialism under the "gold standard," where millions of dollars can be made by single individuals by speculating in stocks, bonds and the necessities of life. And here we will leave them with a sigh of pity for their imbecility.

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OF THE

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The following testimonials, which have been selected from hundreds that have been received by the author, are indicative of the appreciation of those who have examined its merits:

The banking conspiracy and colossal money octopus that has wrecked and ruined the world will have met its Waterloo when the attention of the people shall have been called to the cause and cure of this deadly simoon which has ravished and desolated the civilized inhabitants of the world, on reading the master production of the human mind by the peerless Mary E. Hobart, whose little book entitled "A Scientific Exposure of the Errors in Our Monetary System and the Remedy," will cause statesmen to hide their diminished proportions, and bankers to curse the day that gave birth to the most subtile mind and inexorable logician that ever graced the pages of history.

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Her mathematical formulations and philosophical deductions are incontrovertible and as fixed as the laws of gravitation, for which revelation to benighted and groping mankind, a monument will arise to this shining light, that will eclipse in height and magnificence of structure all previous conceptions of architecture.

This book is now just out of press, and we predict will soon make its influence felt, not only in the English language, but will be eagerly read and translated into other languages throughout the civilized world.

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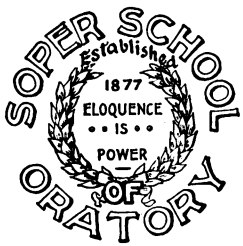

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